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The Philippines in the 80s

—From Normalization to Polarization





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Front cover photo by Alihani, New People's Army Guerrilla.
Back cover photo by Alihani.

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A Note from the Staff

We are happy to announce a new addition to the Resource Center family. Laura Winnacker was born to Martha and Paul Winnacker on February 27, 1982.

By the time you get this issue, our promotional letters soliciting subscriptions will be in the hands of librarians throughout the United States. Please check if your university or town library gets the *Southeast Asia Chronicle*. If it doesn't, please help push our campaign by requesting your library to subscribe.

Our foundation support is declining. To help make up for the deficit, we have to increase our circulation. There isn't very much spontaneous interest in Southeast Asia at this time. But all of you, we presume, agree that it is important to maintain a steady source of information and analysis on the region. We can continue to perform this task only if you help us generate interest in the magazine.

Southeast Asia Resource Center East is soliciting translations of progressive poems and short stories from Southeast Asia in preparation for either a *Chronicle* special issue or a book. Please send contributions to Southeast Asia Resource Center East, 198 Broadway, New York, NY 10038 or call (212) 964-6730.

A detailed and particularly valuable exploration of charges of chemical warfare in Indochina has just been published as number 23 of the *Indochina Issues* series. The cost is \$1. Write to Indochina Project, Center for International Policy, 120 Maryland Ave., NE, Washington, DC 20002, and ask for "Yellow Rain: Unanswered Questions."

The Resource Center Staff

Staff members are Linda Golley, Santi Mingmongkol, Joel Rocamora, and Martha Winnacker. Research assistance is provided by Bruce Boer, Jane Castellanos, Lauren Kerr and Glenda Pawsey.

The Southeast Asia Resource Center

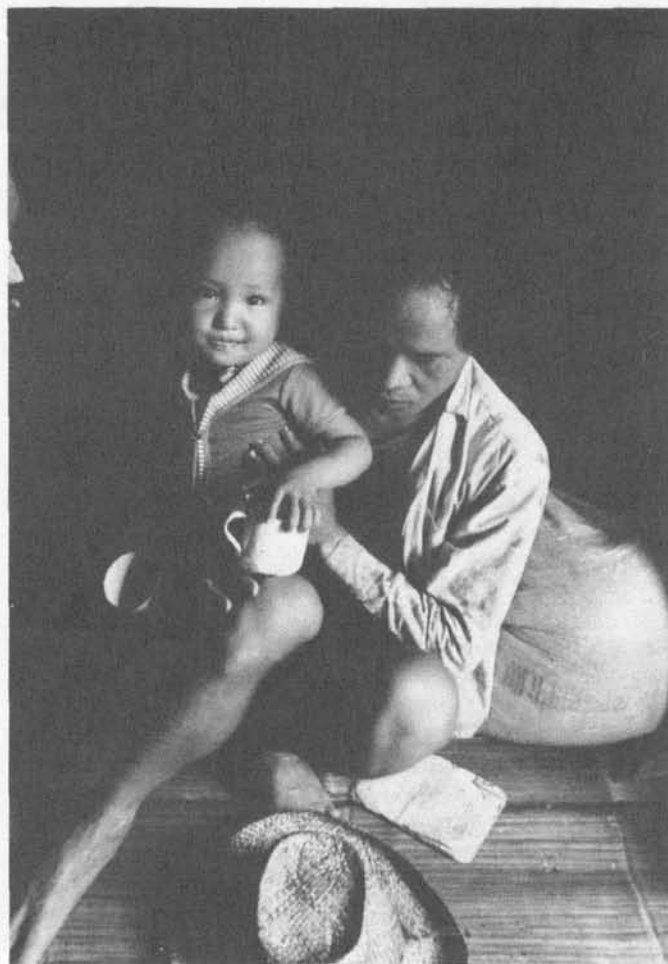
Formerly called the Indochina Resource Center, the SRC is a major non-governmental source of information on current developments in the countries of Southeast Asia, and on the U.S. involvement there. The Center follows and interprets events in Vietnam, Laos and Kampuchea, as well as in Thailand, Malaysia, Indonesia, and the Philippines. This research and analysis continues in the tradition of the Indochina Resource Center, which played a key role from 1971 to 1975 as one of the sources of accurate information for the anti-war movement's successful effort to cut U.S. aid to the Thieu regime.

Subscriptions

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ABOUT THIS ISSUE



Lin Neumann

It's hard to sense watersheds in history when they are happening, but I have a feeling a revolution is brewing in this country," an American who observed the Vietnamese revolution closely said of the Philippines in 1981. There were no dramatic battles. But the failure of Marcos' program of "normalization"—his attempt to heal rifts in the Philippine elite—combined with the rapid growth of the National Democratic Front to polarize the situation.

Our analysis of the NDF updates our June 1978 issue, "The United Front in the Philippines." Because NDF influence at this time is political rather than military, we have placed it within the framework of a comprehensive analysis of Philippine society. We have tried to do this through separate articles

on the Marcos regime and on the current economic crisis. To flesh out the analysis, we have included an account of a visit to a New Peoples Army guerrilla zone, a description of a strategic hamlet in Mindanao, and a report on the impact of U.S. military bases in the Philippines on local inhabitants.

We have specific political reasons for providing an update on the Philippines at this time. Philippine dictator Ferdinand Marcos is expected to come to the United States in 1982 for a state visit. To prepare for the visit, Marcos is trying to destroy the large and active Filipino opposition movement in the United States with the active collusion of the Reagan administration.

A United States-Philippine Extradition Treaty currently pending ratifica-

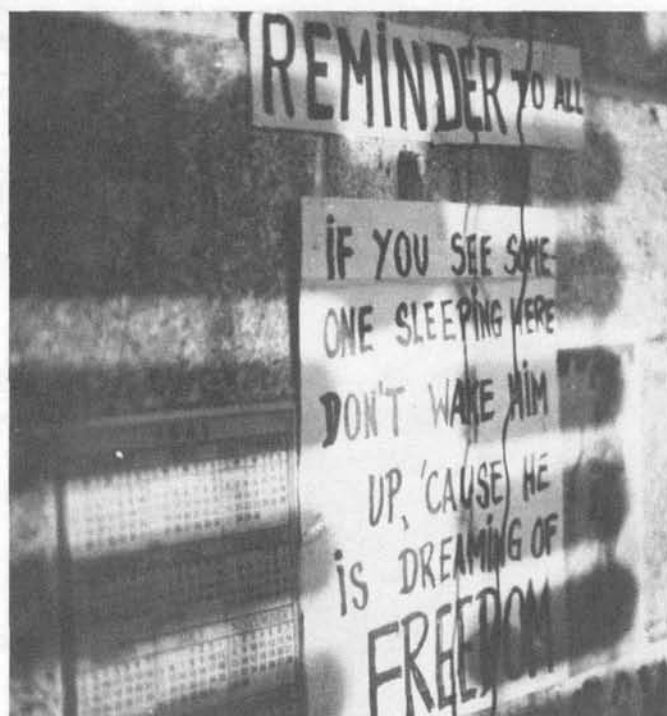
tion by the U.S. Senate will enable Marcos to extend his repressive reach to the United States. The political goals which underlie this seemingly harmless treaty are made explicit in the stipulation that the Secretary of State, not the U.S. courts, will determine whether any particular person is extraditable. This provision will not only deprive such persons of due process in the courts, it will also make extradition hostage to diplomatic considerations.

These developments have placed the Philippines in the U.S. political agenda. With this issue, we hope to provide sufficient background on the Philippine situation for an informed public opinion on these questions. For more information, contact the Committee to Oppose the U.S.-R.P. Extradition Treaty, P.O. Box 173, Oakland, CA 94668.—□

TURNING POINT: THE NDF TAKES THE LEAD

In 1981, the leftist National Democratic Front became the leading force in the growing resistance to the regime of Ferdinand Marcos.

Joel Rocamora



Sign at Onongapo prison.

In Buug municipality, Zamboanga del Sur in Mindanao, 4,000 people celebrated May Day, 1981, with a rally at the town center. Soldiers trying to stop the rally fired into the crowd and killed two people. They arrested 18 others. So much for freedom of assembly, which had been officially restored when Marcos formally ended martial law in January. Ten of the detainees were released within a few days, but eight were still in custody a month later, when 300 farmers marched to the local military camp to demand their release. Refusing to disperse, they pointed out to the detachment commander that no charges had been filed and that there was no evidence to justify continued detention of the eight. The demonstrators left the camp only after the commander promised in writing to release the prisoners. He kept his word one week later.

The people of Buug were among 260,000 throughout the Philippines who took part in public rallies and demonstrations during May and June to protest Marcos' one-man presidential election. Marcos had intended the election to demonstrate that political "normalcy" had returned to the Philippines. Instead, it revealed a startling degree of polarization, with the leftist National Democratic Front (NDF) providing the major focus for widespread opposition to Marcos, an opposition so deeply felt that it impels hundreds of thousands of people to brave military repression such as that at Buug in order to express it. Even the anti-communist elite opposition to Marcos found in 1981 that it had to work in a context defined by the NDF.

Observing the events of May, an American pacifist who has spent several years in the Philippines commented:

Joel Rocamora is the SRC's Philippine specialist. He holds a Ph.D. in political science from Cornell University and has written extensively on the Philippines and Indonesia.

It's hard to sense watersheds in history when they are happening, but I have a feeling a revolution is brewing in this country. I didn't feel that way for the first two years here. Sure I knew about the New People's Army (NPA) . . . But it seemed little more than an annoyance factor in the government's plan for development here. That seems to be changing somehow. Not that the NPA has changed tactics—they're still working at the slow, laborious business of building a "mass base." But it seems the government is petrifying. Its cynical manipulation of the upcoming elections is a case in point. And the rise of rightwing terror (some spontaneous, some sanctioned by the government, some sponsored by the government) is an ominous sign. . . .

I wouldn't call it a powderkeg. It's not going to blow up suddenly. But, sooner or later, I believe, it is coming. I didn't always feel this way. I do now. . . ."

The polarization evident in 1981 has been a long time coming. Since the 1930s, factions of the elite have competed among themselves for control of Philippine political power, using national elections as their primary vehicle. Marcos ended that form of elite competition when he suspended the constitution and declared martial law in 1972. For a time, however, it appeared that he might share enough power and wealth to make it advantageous to all factions to work with him. When it became clear that he was using his political monopoly to enrich himself and his favorites at the expense of their competitors, elite consensus quickly dissipated. Various factions then looked to the United States for support in replacing Marcos, often finding encouragement but little tangible assistance. U.S. President Ronald Reagan's wholehearted embrace of Marcos—to the extent of attacking his foes in the United States—has ended that avenue of competition, at least for the moment,

forcing dissident sections of the elite into an uneasy alliance with the NDF. As awareness of the new situation has spread, the NDF has been able to draw thousands of middle class people into its ranks, including large numbers of teachers, lawyers, health workers, and journalists. These new supporters complement its old networks among peasants, workers, and students. Increasingly, mass mobilization and armed struggle are seen as acceptable forms of political action.

In September 1980, the Preparatory Commission for the National Democratic Front said that it had 40,000 full-time organizers operating in two thirds of the country's provinces. Close to a million people were organized in mass organizations, and its total mass base was estimated at 4.5 million. NDF propaganda reached an estimated 10 million of the Philippines' 48 million people. By the end of 1981, another 10,000 organizers had been added. The NDF mass base is now estimated to be 10 million, a full 4 million in urban areas, the rest in the countryside.

The growth of the New People's Army has kept pace with the rapid advance of the mass movement. The NPA now has 27 guerrilla fronts covering more than 400 municipalities in 47 provinces. Where the period from 1973 to 1979 was devoted to expansion, for the last two years the NPA has concentrated on intensifying military actions in already-established guerrilla zones. The Moro National Liberation Front, the other major armed component of the anti-Marcos resistance, has also maintained steady growth in its military operations.

Ironically, Marcos himself set the stage for the coalescence of resistance forces around the NDF. After lifting martial law in January, Marcos needed an election to legitimize his continued rule, but a credible election required a credible opponent. Segments of the elite opposition led by former senators Benigno Aquino and Salvador Laurel considered a campaign against

Marcos. They were deterred, however, by Marcos' refusal to accept their demands for guarantees that the election would be fair and by pressure from the NDF-led boycott campaign. In the end, Marcos had to risk ridicule by running against a political has-been.

Foreign media reports portrayed the boycott movement as largely an elite opposition affair. In fact, the elite opposition did not decide to boycott the election until mid-April, when the boycott movement led by the NDF was well underway. In early

New middle-class supporters complement the NDF's base among peasants, workers, and students.

February, a coalition of progressive student, worker, and religious groups which had come together to expose the regime at the time of the visit of Pope John Paul, called for a boycott of the election and the plebiscite that was to precede it. On February 26, this coalition was formalized into the People's Opposition to the Plebiscite-Election (PEOPLE).

On May 10, 1981, the United Democratic Opposition (UNIDO), the main coalition of elite oppositionist groups, joined PEOPLE in founding the People's Movement for Nationalism and Democracy (People's MIND). The coalition's founding statement called for full restoration of political and economic rights, the elimination of foreign military bases, and expressed opposition to "... domination by any foreign government, international financial institution or transnational corporation."

The government did its best to stop the boycott campaign. Many people were intimidated into voting by Marcos' threats to imprison those who did not vote. Although there are reliable



Clergy play key roles in the resistance. Confrontation above was at a Manila rally, February 13, 1981.

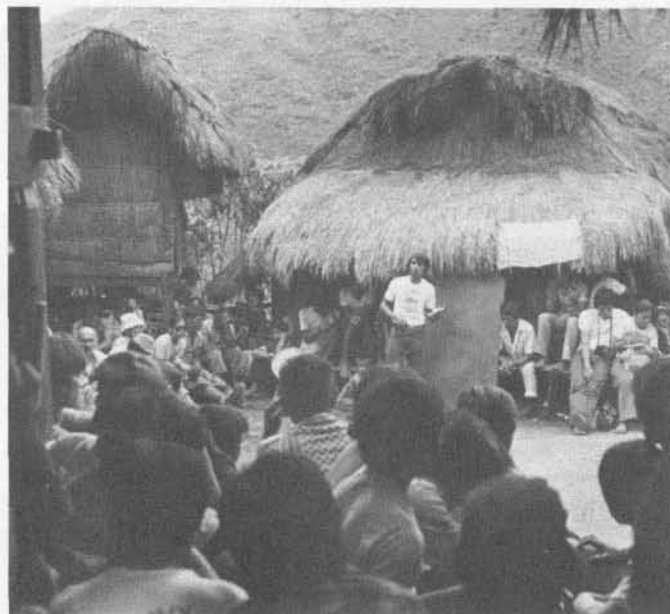
reports that as many as of half the voters in many places boycotted the balloting, Marcos controlled the counting.

But the election itself was not nearly as important as the boycott movement that preceded it. During the period of the campaign, boycott rallies, demonstrations and teach-ins took place in 12 cities and 36 towns throughout the country. The biggest demonstration—a march-rally of 40,000 workers—was held in Quezon City on May Day. In one single day, on June 12, 128,000 people participated in demonstrations in 31 different towns and cities. The demonstrations were held in the face of arrests, threats, open harassment, and in the case of Buug town, and Daet, Camarines Sur, the shooting of 13 demonstrators.

An important new feature of these demonstrations was the NDF's ability to mobilize large numbers of peasants for mass actions in town centers rather than staying in remote, outlying barrios. A few guerrilla zones have been able to mobilize for town center rallies for several years, but the boycott mass actions showed for the first time that this capability is now nationwide. Although not as large as the city demonstrations, small town mass actions drew a much larger proportion of the population. One foreign observer had a hard time believing that a rally of 4,000 which she observed was only a rehearsal for the main event a day later.

Underlying the success of the boycott movement was the network of mass organizations painstakingly developed by the NDF over the past several years. These organizations draw together specific sectors of the population and provide leadership in particular struggles for control over political and economic resources.

The most important of these struggles is that of the peasantry. Peasants are the largest segment of the population, and it is in the countryside that the New People's Army is being built. The peasant struggle is extensive and multifaceted. The pages of resistance publications are filled with stories of peasant communities fighting against multinational agribusiness encroachment on their lands; for lower pesticide, fertilizer and seed prices; for higher farmwork wages; and against military terrorism. But peasant hopes for a better future can be assured only if their struggles can be focused into nationwide campaigns—such as the boycott movement—which target the dictatorship



Clark/Zawadzki

April 1981 meeting commemorating the murder of Kalinga leader Macling.

directly. It is not abstract understanding of the movement's political goals which has won peasant participation in the national democratic movement, however. The revolutionary land reform program which is the cornerstone of NDF work in the countryside has already brought more benefit to the peasantry than the government's extravagant land reform program.

At the end of 1980, a grand total of 1,684 tenants had received title to their farms under the government's by then

The elite opposition did not decide to boycott the election until the NDF-led boycott movement was well underway.

eight-year-old program. In two provinces alone, Isabela and Cagayan in northeastern Luzon, peasant struggles under the leadership of the NDF have had the following results:

- 6,754 farmers have stopped paying land rent to landlords or amortization to the government;
- 2,526 tenants have had their land rents lowered from between one-third and one-half of their harvest to one-fourth. In many cases the new rent is only one-tenth of the crop;
- 434 tenants have secretly lowered the rent they pay to recalcitrant landlords;
- 536 landless laborers have had their wages raised;
- 505 landless families have been allotted farms taken from excess lands of rich or middle peasants;
- 225 farmers have had rental prices on farm machinery reduced;
- 295 families have had the interest on their debts lowered;
- 73 farmers have been given farm animals confiscated from despotic landlords.

If the family members of these farmers are included, no less than 44,000 people have benefited directly from the NDF-led struggles in these two provinces. As the detailed list above shows, the NDF program targets many forms of peasant oppression, from high land rents to usury to low farm wages.

Earl Martin



Farmers in Bukidnon, Mindanao, oppose dams which will flood their lands. Sign says: "National Power Corp., contractor, our lands have not been paid for, pay before you start operations."

The peasant struggle for land is inextricably bound up with the growth and development of the New People's Army. In the short run, peasants often need the support of their own army when they struggle against landlords backed by the Marcos military. In the long run, their gains can be guaranteed only by the destruction of the state apparatus which buttresses the oppressive agrarian system in the country.

The NPA both supports and benefits from the advance of the agrarian revolution, and the recent advances in the peasant revolution have also contributed to the advance of the NPA. Where the main centers of NPA activity up to 1978 had been northeastern Luzon, the Mountain Provinces, central Luzon, Samar, and the Davao provinces in Mindanao, the last few

The peasant struggle for land is bound up with the growth of the New People's Army.

years have seen the rapid development of guerrilla zones in Zamboanga del Sur and Misamis Occidental in Mindanao, Panay Island in the Visayas, Mindoro, and Ilocos Sur and Abra in Marcos' own backyard in northwestern Luzon.

In Panay Island, the sixth largest in the country, NPA cadre initially operated out of one mountainous border area that links the island's four provinces. From there they expanded their influence quietly to hundreds of barrios and numerous towns. In July 1981, the NPA stunned the local military with a surprise raid against the police armory in Nabas town, Aklan province. Although the military stepped up their operations, the NPA sustained its drive with a series of ambushes. In January 1982, another raid hit Igaras town, a scant 20 miles from Iloilo City, the largest in the island.

The NPA modestly sums up the last two years as a step from the "early" to the "advanced" stage of the "strategic defensive." In general terms, this means a shift from expansion of guerrilla zones with limited military activity to consolidation of zones with intensified military activity. With organizing functions increasingly turned over to NDF mass organizations, NPA units have been freed for vastly increased military operations. In many areas they have moved from ambushes of military patrols to attacks on fixed military installations. The increase in NPA military operations early in 1981 was timed to coincide with and support the boycott movement. But the level of military activity was sustained even after the June election and the end of the boycott campaign. From August 16 to October 20, 1981, Manila newspapers reported 56 NPA military operations in 21 provinces. In the last two weeks of August alone, 27 clashes in 19 provinces were reported.

Although Marcos does his best to belittle the growth of the NPA, he is concerned enough to make its suppression a major goal of his new administration. In mid-January 1982, the military announced the activation of 12 to 20 new combat battalions specifically for anti-NPA operations. Earlier, units engaged in anti-MNLF operations were transferred to NPA areas.

Reports of NPA operations in NDF publications meticulously catalog the number of guns and bullets seized. In its October 15, 1981 issue, for example, *Ang Bayan*, the mass newspaper of the Communist Party of the Philippines, reported that 170 guns of various types were seized in NPA operations from April to September. While this figure shows the increased level of NPA activity, it also shows graphically the limitations under which it operates. Because the NDF does not have



NPA guerrilla.

outside sources of guns, its military capability lags far behind its now extensive political influence.

The general upsurge in resistance activity has been as marked in the urban areas as in the countryside. Workers have made steady progress since the founding of the *Kilusang Mayo Uno* (KMU, May First Movement) in May 1980. Unlike past progressive labor groups, which were forced underground by government harassment, the KMU has been able to remain in the open due to its fast-growing influence in the labor movement as a whole. The KMU spearheaded the formation of the *Pagkakaisa ng Manggagawang Pilipino* (PMP, United Filipino Workers), bringing together labor federations with a variety of political persuasions to oppose the dictatorship's anti-labor policies. While the government federation, the Trade Union Congress of the Philippines (TUCP), is falling apart, the KMU and the PMP are developing quickly into a potent political force. The KMU has an estimated 500,000 members, and the PMP includes 30 percent of the Philippines' approximately 1.8 million organized workers. The KMU's rapid rise is occurring just as the deepening economic crisis pushes more and more workers into action. Despite the passage of a more restrictive labor code in 1981, there were 257 recorded strikes, compared with 47 in 1980 and 51 in 1979. Even in 1971, the year before martial law, there were only 157 strikes.



Elite opposition leaders Jose Diokno and Lorenzo Tanada (center) at boycott rally.

Other key urban resistance sectors which have registered significant gains in the past year are the student movement and the Christian resistance. After being limited largely to Manila for many years, the student movement erupted in a dozen other cities and towns in the second half of 1981. Linking increased tuition fees and other campus issues to national political goals, some 390,000 students from 60 schools participated in boycotts in Manila, Baguio, Davao, Cebu, Bacolod, Iloilo, Dagupan, Cabanatuan, Angeles, Laoag, Batangas, Lucena, and Cagayan de Oro. Christians for National Liberation, which started with 200 members at its first national assembly in 1972, had grown to 1,000 members by early 1981. Progressive Catholics and Protestant priests, nuns, and ministers now comprise about half of the 10,000 Church personnel.

At the same time, new groups have been incorporated into the broad resistance movement. The country's 350,000 public school teachers, for example, have been a generally passive lot, easily manipulated by the government for a variety of tasks. Not anymore. In August 1981, Marcos was forced to grant them a salary increase after they threatened to go on strike throughout the country. Six hundred high school teachers in Negros Occidental, supported by their students and parents, went on strike

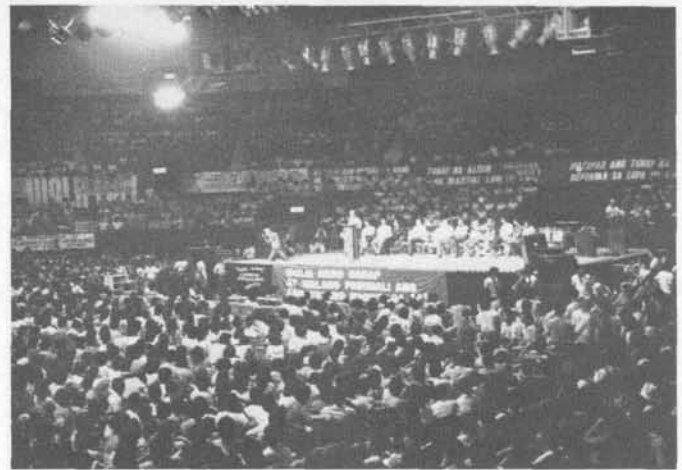
While NDF influence has risen, prominent elite opposition members have lost their charisma.

when they were excluded from the general increase. They were followed by 4,500 Manila teachers, who boycotted their classes after the City government slashed their pay. NDF work in the teachers' sector is organized by the *Kapisanan ng mga Gurong Makabayan* (KAGUMA, Association of Nationalist Teachers).

Other new sectors in the resistance include:

(1) Health workers organized into the *Makabayang Samahang Pangkalusugan* (MASAPA, Nationalist Health Association), which has formulated a critique of the country's health care system and pioneered in the development of community-based health care;

(2) Lawyers who defend political prisoners, and in 1981 filed suit in the Supreme Court challenging the wholesale restructuring of the judiciary;



May Day 1981 rally of the May First Movement (KMU).

(3) Journalists protesting continued restrictions on press freedom;

(4) Women's organizations protesting beauty contests and sex tourism;

(5) Environmentalist groups protesting industrial pollution and the construction of the country's first nuclear power plant; and finally, even

(6) Blind people protesting cutbacks in government support, and tuberculosis patients and their doctors demonstrating against the closure of the largest tuberculosis facility in the country.

The rise in NDF influence has been paralleled by the eclipse of the more prominent elite opposition leaders. The older generation, including Macapagal, Roxas and Salonga, has been inactive because of ill health. Aquino and Laurel have been unable to devise a coherent political program which would enable them to retain their influence in the opposition. More and more, the elite opposition is led by younger politicians such as Cagayan de Oro mayor Aquilino Pimentel, former Constitutional Convention delegate Ernesto Rondon, and Misamis Oriental governor Homobono Adaza. Two recently formed opposition parties, the Pilipino Democratic Party (PDP) and the Social Democratic Party of the Philippines (SDP) came into existence without any of the old-line elite opposition figures. The PDP leadership includes Rondon, Pimentel and Luis Jose. Reported to be formulating a Christian Socialist program, the PDP placed itself squarely in the ranks of the opposition by vigorously condemning the Marcos dictatorship in its founding statement.

SDP leader Reuben Canoy says, on the other hand, that the SDP would change government policies and the whole political structure along social democratic lines, but "the consensus [within the party] is not to change President Marcos." Two of the SDP's top leaders are former Information Minister Francisco Tatad and Deputy Information Minister Canoy. Whatever benefits the SDP may derive from becoming the dictatorship's loyal opposition, increasing attacks on its opposition credentials indicate that it will soon be isolated. The political middle ground that it is trying to stake out for itself no longer exists. Instead, the trend is towards polarization, with growing unity and coordination in the ranks of the genuine opposition, including the NDF. "Almost all moderate groups and person-

ages now maintain links with the NDF," claimed *Liberation*, the official organ of the NDF, in its August-September, 1981, issue.

Foreign media have noted both the growing opposition to Marcos and its coalescence around leftist organizations, but they have observed only part of the process. What has occurred is not merely that the old-line elite opposition has lost its capacity to lead. The NDF would not have been able to step into the vacuum as it has without both its long history of patient organizing and its already established capacity to explain and lead in the intensifying class struggle brought on by Marcos' policies of rapid growth based on the exploitation of peasants, workers, and poor. In the movement to boycott the election, the NDF demonstrated dramatically that it is now able to lead a very broad coalition with national concerns. At the same time, as it has become increasingly evident that Marcos cannot be pressured into making reforms or relinquishing his own power, centrist sectors of the opposition have come to accept the NDF's program of mass mobilization and armed struggle.

Meanwhile, the Reagan Administration's total commitment to the Marcos dictatorship has disillusioned elite oppositionists who hoped for U.S. support in replacing Marcos with a more far-sighted leader. As a consequence, they are now developing an increasingly sophisticated critique of the U.S. role in the Philippines—a subject they have not previously taken very seriously. A recent NDF analysis notes:

Instead of confining themselves to purely personal criticisms against Marcos, his cronyism and mismanagement of the economy, or merely upstaging and backbiting with other oppositionists, [elite oppositionists] are now raising their struggles to popular democratic and nationalist issues. . . .

Armed struggle has been accepted by moderates as necessary for the overthrow of Marcos. . . . Questions still remain on the relative importance of armed struggle vis-a-vis the open protest movement, the relation of urban partisan warfare to rural guerrilla warfare, among others. But these issues can be settled over time and a common program can be

worked out leading to armed people's uprisings and the overthrow of the U.S.-Marcos dictatorship.

The NDF appears to be approaching the time when it can establish a formal united front of all forces opposed to Marcos. The MNLF, the other major force in the opposition, has "... agreed on the need to establish a united front of all progressive forces in the country to overthrow the dictatorship," the CPP, the main organization in the NDF says. "The Party and the MNLF-BMA," the CPP continues, "hold differing views on a few important questions. Nevertheless, this has not prevented the growing frequency of talks between our organization and theirs, and we have held several joint actions with them abroad. . . . The further development of this relationship depends to a large extent on the clarification of the comprehensive program of the MNLF-BMA and on continued cooperation between us in practical activities here and abroad." (*Ang Bayan*, Dec. 26, 1980)

Conditions in the Philippines are conducive to a marked expansion of national liberation forces in the next few years. Unfortunately, the regional situation is not as bright. Barely five years after its defeat in Indochina, the U.S. has manipulated the situation in Kampuchea to facilitate the resurgence of its power in the region. Mindful of these conditions, the NDF is expanding the political bases for cooperation with other anti-imperialist forces. "The situation," the NDF says, "also demands that the NDF expands its international relations to include all those forces fighting U.S. imperialism and the Marcos regime, provided the independence of the Philippine revolutionary movement is not compromised."

The NDF, of course, does not yet have the capability to bring down the Marcos dictatorship. Despite recent advances, the NPA continues to be limited by the absence of substantial and reliable sources of arms. The process of political polarization has not yet reached a point where the NDF's political influence can make up for its military weaknesses. But there is no doubt that the NDF and its influence is growing while Marcos' position deteriorates. □



Alhambra

INSIDE THE PHILIPPINE REVOLUTION: WITH THE NEW PEOPLE'S ARMY

In Samar, the New People's Army has become the main source of hope for desperately poor peasants.

Robert Rose

Alhami



Robert Rose is an American scholar who spent 11 days in a guerrilla front of the New People's Army in 1981.

Light from the full moon delineates our path as we trek quickly but quietly through this Philippine jungle. Cool evening mountain air makes the climbing somewhat easier than it was during the afternoon's steamy rains. But the utter stillness of the night demands soundless steps. Of the eleven sets of feet, mine alone are sneakered. Days earlier, my "kasamas" (or comrades) chuckled over my Western footwear, trying to convince me to unfetter my city feet for our long journey. To them, shoes conjure up visions of government troops, whose stiff, high black boots advance slowly and clumsily, and leave telltale trails. My kasamas' feet are browned and weathered; soles leathered and toes calloused into hardness and strength. Feet formerly of peasants, who trudged through the thick mud of rice paddies or who climbed new hillsides year after year to clear patches for sweet potatoes. Now they are the feet of fighters in the Philippine Communist Party's New People's Army (NPA). Feet of the red fighters.

We stop suddenly. Around the next slope appear the outlines of a tiny hovel, the typical peasant's hut, a scrawny tree-trunk frame covered with dried abaca leaves. "A friend's house," I am told in whispers. "A peasant kasama." One of my ten companions ventures ahead. But first, he removes his tattered cap and tosses it to another. Against the cap's faded blue, one can barely distinguish the outline of a red star painstakingly stitched onto the hat long ago. Soon the scout returns. He motions us to follow him towards the hut.

Inside, the peasant couple has laid out a bamboo plate of steaming sweet potatoes in the middle of their dirt floor. The peasants' regular diet here, two or three times a day for those who are lucky. Squatting around the plate, we eat quickly. Our last meal, also potatoes, was some time before. The plate emptied, less than a mouthful of water for each follows. One man reaches into a straw sack tied round his waist, and removes treasures—a tobacco leaf and a crumbled scrap of used paper. He lights a match and dries the leaf over it. Only when the cigarette is deftly rolled and begins to circulate around from kasama to kasama does the talk begin. They speak quickly, urgently, in the local dialect. "The fascist military is up ahead. Camped in a village half-way between here and our base. We must go no further for now. It is better to be here with friends." Our host turns to me and points to a shadowy, hidden corner of the room where dirt has been piled high to make a warmer sleeping area. My comrades nod in agreement. One of them turns to me. "You stay here. We will sleep outside to guard."

"Oh, no," I say, deeply embarrassed. "I can't take their warmth. I should not be special."

"No." It is merely a boy of little more than twelve years who speaks. A rifle rests in his hands. His voice is gentle, but firm. "You don't understand. This is their part for the revolution. Their contribution. Some friends contribute food; others give shelter. Still others steal guns for us from the fascist government military. You don't understand. They are proud to do this. Everyone, in a different way, is playing a role in what happens here. Do not take that away from them."

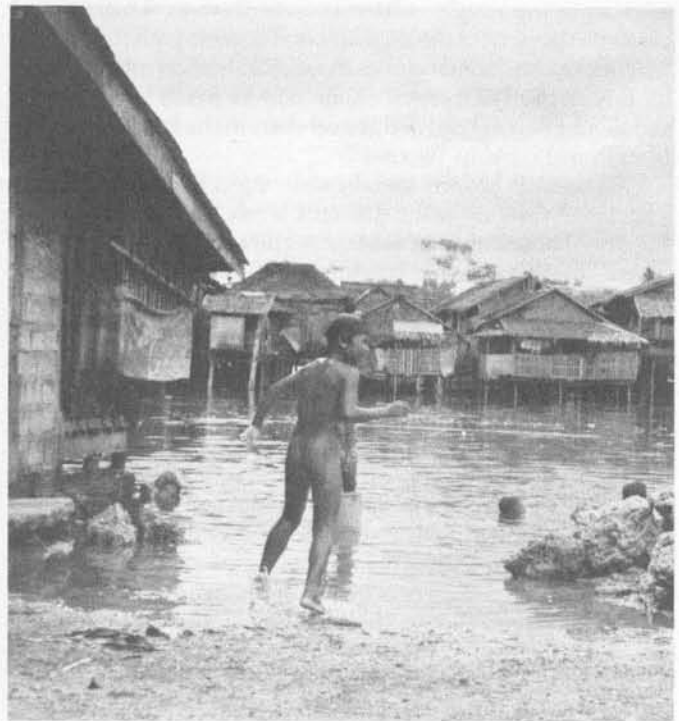
According to the New Peoples Army's 1980 anniversary statement, a guerrilla front is "an area which has its own Party organization, guerrilla forces and military command, and which can function more or less independently over a long period . . ." Each also has its own mass organizations. At the heart of the front lies a fairly mobile "guerrilla base"; surrounding the bases are the guerrilla zones." The NDF is careful not to call these areas "liberated zones," the distinction being that, should an extremely large concentration of government troops move into the frontal area, the NPA base might have to shift. With their extended reach, the NPA's 27 guerrilla fronts cover a full quarter of the Philippine rural population. An estimated half of those under the front's influence, an eighth of the total rural population, give active support.

Towards the middle of 1981, I entered a guerrilla front in the north of the Philippine island of Samar. My eleven days among the kasamas marked a period of unusually intense and concentrated government operations in those same mountains, undoubtedly in retaliation for a number of recent, successful NPA ambushes of government troops near that area. For the kasamas, these were days of cautious movement from one location to another, nights filled with lengthy sessions strategizing the next day's military maneuvers. For me it was a time to gain a sense of why that eighth of the rural population has reached out to help. Why, even though each of those five million peasants understands well that anyone suspected of cooperating with the NPA can expect the same treatment that "communists" receive at the hands of the government military. Also, a time to see what it means for the NPA to have those five million peasants offering food, shelter, guidance and warnings.

Rudel, fighter of fourteen, climbs into the hut with a sigh. The morning sun is just beginning to light up the slopes of the steep rocky mountain below us. Black circles under his eyes speak of long hours of nighttime guard duty. Longer, more intense hours than usual given the peasants' warnings that government troops were gathering en masse below. "It is very hard being with the NPA sometimes." He rests his old rifle beside him, and leans back to stretch his tired body out fully against the rough floor crafted from knobby branches. He rubs his eyes and sighs again. Shaking his limbs, he tries in vain to chase away the damp chill that invaded them during the night. "It is very hard training to be a red fighter."

I stop banging on the old rusty typewriter, which, albeit minus a few keys, enhances this camp's propaganda functions, and turn toward him. "I know," he says. "I have to go back on guard. I will." I smile at him. "You in the United States, you can be children when you are fourteen. But poor peasants in the Philippines can never be." His tone tells me that, although I am twice his age, he thinks of himself as the wiser, the elder.

"I watched my father slowly starve from hunger. And from hurt, as he realized that no matter how hard he worked to plant camote [sweet potatoes], we would still be hungry. For even if the mountain soil yielded to his hand, the landlord would not." Rudel, his brothers and sisters—they had all watched their



Albert Rose

father. They had watched their father die young from overwork, from hunger, from frustration and from anger. For a number of years, kasamas had come to their village to talk at length with the peasants, to explain and, in turn, to listen. And one by one, with Rudel's mother's blessings, her children went to the hills, brothers and sisters alike.

In the middle of the Philippines rests the nation's third largest island, Samar. Samar is a rich land. Its wealth abounds in its resources: coconuts, pasture land, hardwood, fishing grounds. Its mineral endowment is generous: copper, chromite, zinc, cobalt, manganese, nickel, uranium and aluminum. To which can be added Samar's nonmetallic prospects: bauxite, coal, cement, guano, phosphate, agricultural and industrial lime, clay, coals, shells, sulfur and arsenic.

Samar is a rich land. But its people are poor. Of the 1.12 million Filipinos who inhabit its three provinces (Northern, Eastern and Western Samar), most are impoverished farmers

Samar is a rich island. But in the rural poor dialect, Samar means "wound."

and fishermen living a hand-to-mouth existence in extremely depressed rural areas. Per capita annual incomes range from about 84 percent of the national average in Western Samar to 71 percent in Northern Samar, and fall to 44 percent in Eastern Samar. The poverty can partially be explained by historical neglect from the Philippine government far away in Manila. But it is more than that: as has been the trend throughout the islands, Samar's income distribution has worsened during the course of Ferdinand Marcos' sixteen-year reign, especially during his nine years of martial law rule (1972-1981).

Malnutrition is commonplace, with daily food intake averaging a mere 59 percent of that recommended by the government's food and nutrition institution. Tuberculosis is rampant. Snails in Samar's streams and rice paddies still threaten peas-

ants with the deadly schistosomiasis disease, which infects about ten percent of the population. Together with its southern neighbor Leyte, Samar carries the second highest infant mortality rate in the Philippines. Samar may be a rich land. But one should not be surprised to discover that, in the local dialect, the island's name means "wound."

One sees the poverty and the suffering of Samar's people in a variety of ways, on many different levels. Even in the towns, the dry camote forms the subsistence diet of most, day after day. There, the potatoes are bought in local outdoor markets that sell little else. Bought from gnarly old women crouched on the markets' dirt floors. Cheeks long ago caved in from hunger, eyes that seem to do little else but stare straight ahead in despondent acceptance, the cadaverous women almost begin to blend in with the mounds of potatoes they cradle with their twiglike arms.

One sees the poverty on the dirt highways that connect Samar's lowland towns in slow, circuitous and often impassable routes. On similar roads throughout the Philippines, outstretched bony arms, scarred with festering insect bites, offer the hungry traveler a variety of greasy, fly-ridden, local delicacies. But, in Northern Samar, there is none of this. Here, the arms are just as scrawny; the flies just as plentiful; the traveler's hunger just as gnawing. But here the poverty is too all-embracing for even that very marginal sort of commerce to exist.

In the rural areas, as in the urban, life seems to hold with it little besides suffering. We pass through village after village, each with less than a hundred families, each where we hear tales of the twenty-odd children who died during the last two months. They are not tales of complaint; it is all part of what is expected from life here. The children who somehow manage to survive pass through their childhood with constant running noses and hacking coughs. Before them stand grueling years of unprotected exposure to sweltering heat and chilling typhoons, the combination of which leaves bodies with creaking joints that transform a thirty-year-old into a crippled elder.

But it is not only the harsh climate and unyielding land that cause suffering. An older peasant relates his story one day when he brings the red fighters a sack of camote. "I once had some land," he tells me. "I cleared it myself, and I grew food for my family. It was my land. But my family was still hungry, and I

"The NPA have taught us things we thought peasants would never know."

wanted to grow more food. It was good land; I could grow rice. So I went to the government bank to get a loan."

There, in the alien world of bureaucratic red tape, he was at a loss. He could neither read nor write. A government worker befriended him, or so he thought. "But in signing an 'X' on what I was told were loan papers, I signed my land over to this person. And I became a tenant on what was now his land." The tenant-landlord arrangement entered into was the fairly typical one: the landlord loans the peasant one ganta (about nine pounds) of rice before planting season, and, after the harvest, the peasant splits his produce fifty-fifty. Then, the landlord gives his tenant fifty pesos, a bit over six dollars.

"It seemed fair enough," the man continues. Life was not good, but neither had it ever been. Nor had he ever thought that perhaps a peasant had the right to ask for more. "Then some kasamas moved into the hills where my land was. And they discussed many things patiently with us peasants. They were from peasant families too, so they understood us." To



Cooking and other chores are shared equally by male and female NPA.

highlight the tenant's exploitation, the kasamas calculated the number of days he worked for his half of the harvest, and the landlord for his.

"Eventually more kasamas moved in, and more of us became kasamas. Now that the NPA is here, I pay nothing to my former landlord. And he is too scared to demand payment. The kasamas help us in many ways. When it's time to clear the land, they fell trees with us. They've taught us to plant together, to help each other. They've taught us things we thought peasants would never know." He is silent all of a sudden, but a big toothless grin overtakes his wrinkled, stubbled face. His eyes sparkling, he reaches over and takes my pen from out of my hand. And on the page where I have been hastily scribbling his life history, he proudly and defiantly signs his name.

This island of poor peasants has proven fertile ground for the Communist Party of the Philippines. In Samar's northern province where I travelled, the movement began eleven years ago with an organization of nationalist students at the University of the Eastern Philippines. Following a pattern that can be traced throughout the Philippines, the group's membership swelled quickly in its first years to include anti-government local politicians as well as priests and nuns. Just as common was the Marcos government's attempt to gag the growing dissent in Northern Samar by placing many of its leaders behind bars after the 1972 imposition of martial law. But martial law simply sent a once-legal organization underground; the group reassembled in the mountain ranges of the north and spread outward from there.

The specific guerrilla front where I spent my days is an NPA "expansion area," which means it has only recently been claimed by the NPA. The kasamas moved onto these hills in 1979, and their expansion over these past two years has been not so much by importing NPAs from other areas as by converting local peasants. It is, I am told, a Party policy in Samar.

In all my encounters in the guerrilla front, I met only one "outsider," and his situation, as a communist party urban worker who managed to escape from prison, was undoubtedly somewhat unique. As for the rest of the red fighters here, the stories often blend into one: poor, struggling Samar peasants won over by kasamas who pass through villages giving economic and political courses. And when the newly-recruited kasamas leave their farms, behind them stay relatives, friends and neighbors whose lives have also been markedly trans-

formed. These remaining villagers, although not necessarily recruited into the NPA, are grouped into various mass organizations: youth, women and farmers. They form a critical component of support and help bring others into the movement.

At the turn of the century, Samar proved a nightmare for the United States' forces who ushered in the half-century of direct American colonial rule. It was here in Samar, as the Filipinos waged their struggle for independence, that U.S. General "Hell Roaring Jake" Smith uttered his infamous command: "I want no prisoners. I wish you to kill and burn; the more you kill and burn, the better you will please me. . . . The interior of Samar must be made a howling wilderness." Kill and burn the American troops did. But the village of Balingiga, where every man, woman and child was put to the bayonet or shot in their fight for independence, bears testimony to the strength, conviction and commitment of Samar's peasants, then as now.

Today it is Ferdinand Marcos' troops who wage bloody battles against the villagers of Samar. In mid-1980, seven government battalions kept watch over the island. By mid-1981, the number had soared to ten, bringing a total of 9,000 government troops to suppress Samar's NPA. Thus, the island bears the weight of one of the country's largest concentrations of government forces, second only to the southern Philippines where the battle is primarily against Muslim separatists.

For Samar, the burden is a heavy one; eighty years later, Balingiga is being replayed throughout the island. Philippine human rights groups reported 118 indiscriminate killings in Samar by the military in 1980. That same year witnessed the complete evacuation of forty-three Northern Samar villages. During the two-year period from 1979 to 1980, a total of 100,000 of Samar's inhabitants—almost a full one-tenth of the island's population—were pushed off their lands. Air-force bombings and strafings have also been reported as the government escalates its battle against the NPA and its supporters.

In Samar, kasamas call the government troops "onggoy." These are the wild monkeys who viciously swoop down onto Samar's remote villages to steal the peasants' food. Like "onggoy," the government troops on patrol descend upon the isolated hamlets. Grabbing the one chicken a peasant family has been nursing for months with dreams of selling it in the nearest town to earn a few extra cents. Rampaging through all the

corners of a poor hut to find a family's hidden savings. There is seldom even as much as a dollar to steal, if anything at all, but the onggoys take it anyway, as if out of spite. The stories in village after village are the same: "The kasamas happily eat camote with us. The onggoys demand that we find them rice and chicken."

But those peasants who have only tales of stolen food and ransacked homes to relate are still the lucky ones. Others—too many others—have more searing tales of harassment, torture and summary killings. It does not matter if one is really an NPA or not; in Samar just being a poor, hungry peasant of either sex and of almost any age is enough to provoke the government military's accusation of "communist."

In village after village, peasants share their anger with the trusted kasamas: "My husband was taken by the onggoys just days ago." The lines on her weathered face speak of age; the baby at her emaciated breast and the small children at her feet reveal her youth. "The onggoys camped here in our barrio [village]. The forced him to go with them to guide them to the communists. They pointed their big guns at all of us." She motions towards her family. "And said we all would die if he did not guide them, for then we must be communists. So he went, so we could live. No, he will not lead them to our friends' camp. He will lead them elsewhere. So, by now, he is probably dead."

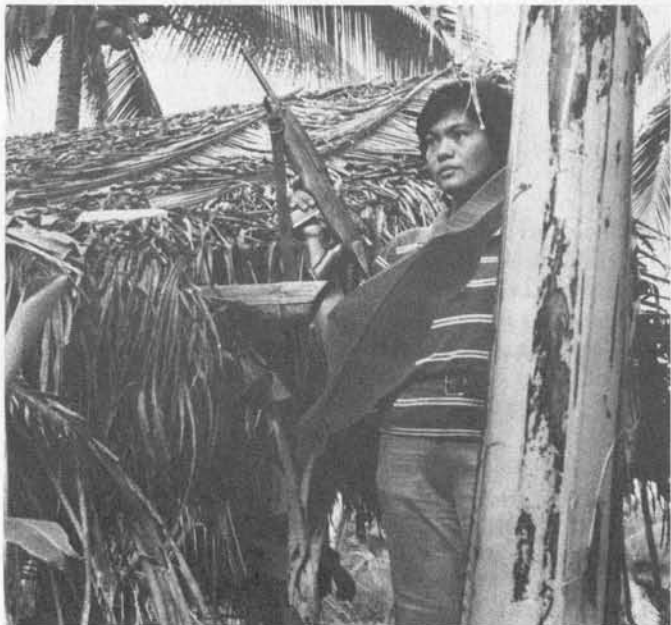
We are walking again. This time it is daylight and a glistening layer of sweat covers our bodies. There are only five of us now, four kasamas and myself. Now the four carry no guns, only peasant bolo-knives.

Suddenly there is a rustling in the path ahead of us. A small wiry peasant scampers out, his face wrinkled with intense urgency. I am surprised by the look of friendship and trust that passes between him and my comrades; only hours before we had passed this man felling trees on a hillside field with nothing more than the usual courteous nod in his direction.

A cold, steady drizzle begins. Kasama Noling, who had grabbed my hand to give strength as we ran, curses the act of fleeing. "If I had a gun, I would not run." There is bitterness in his voice, a bitterness I had not heard from him before. "If NPAs run, they are shot in the back. And then their bodies are brought to town by the fascist military to display the bullet in the back that only cowards wear."

Sometime later, he turns to me to say more. "It's true," he explains. The bitterness has gone, but his voice still speaks of pain. "They mangle our bodies. And display them in town for days. If there are friends or relatives in that town, they can't even claim the body. They have to pass your body, day after day, pretending to scorn it. Because it's not only kasamas the military shoots. It's just as dangerous to be a friend or relative of a kasama. Such strong supporters should not have to bear the shame of bodies that reveal the NPAs to be cowards."

Here, in Northern Samar, as in the rest of the Philippines, there are many more peasants willing to carry guns than there are guns. With guns captured in ambushes or bought from disillusioned government soldiers, the situation is reminiscent of the early days of the Viet Minh. In this area of Samar, the peasants tell what they call a little "joke" concerning the fact that the ratio of armed NPA red fighters to government troops stands at one to thirty-six. Occasionally the figure is recounted with frustration, but more usually it is said with a laugh, a gleeful sort of victorious chuckle. For even with this decided handicap, the rapid growth and military prowess of the CPP are closing the gap. □



Alibuni



Marcos' cabinet meeting at Malacanang Palace.

MARCOS: SAFE FOR NOW

U.S. backing helps keep Marcos in power, but his successors will have to deal with the left.

Joel Rocamora

Without American support, the Marcos dictatorship would tumble down like a house of cards. But even Reagan's wholehearted support cannot reverse political trends which have slowly eaten away at the foundations of the dictatorship. Reagan can praise Marcos and increase aid, making it difficult to displace him. In the long run, however, outside aid cannot save the regime Marcos has built from the consequences of the accelerating political polarization of the country.

Polarization—the increasing isolation of the regime even within the elite, and the slow but steady gravitation of the lower classes and large segments of the middle classes toward the left—now serves as the main axis of development in Philippine politics. Within this context, Marcos faces a double challenge: he must repair the rift in the fragmented elite and prevent the cohesion of opposition forces under the leadership of the NDF.

Marcos has been a dismal failure. His political position is weaker today than at any time in the past nine years of his dictatorial rule. The rupture within the ruling class is wider than ever, and progressive opposition forces are moving closer toward coordination and unity. Marcos still maneuvers between periods of repression and "normalization," in a continuing attempt to disorient and harass the opposition. But each broken promise of "normalization" reduces his credibility and increases the number of people who are willing to risk repression to continue in the anti-Marcos struggle.

The agenda for 1981 was "normalization." Its main items were the lifting of martial law in January and the presidential election in June. In many ways, the agenda was set by others, and Marcos' inept performance reflected his lack of commitment to its substance. The United States required "normaliza-

tion" to neutralize criticism of U.S. assistance to Marcos on human rights grounds. Marcos' elite opponents were becoming bolder—allegedly undertaking a campaign of urban terror—and Marcos felt forced to offer them a potential share of power through an election contest. For the rest of the population, "normalization" was supposed to remove restrictions on political activity and thereby reduce discontent.

Yet, there was little real change when martial law ended on January 17. Political prisoners remain in prison without trial. Military tribunals continue to operate. Marcos retains broad powers to restrict political freedoms through the National Security Code and the Public Order Code. These laws were promulgated by decree a day before the lifting of martial law was supposed to deprive Marcos of these powers. "Now I understand what 'normalization' means," a student in Manila was overheard saying. "It means that we are supposed to accept repression as a 'normal' state of affairs." University of Kansas Political Science Professor Carl Lande was more restrained but no less damning. In testimony before the U.S. Congress in November 1981, Lande said: "Legally most of the Philippine freedoms have been restored. In substance, many of them are not or cannot be exercised by most Filipinos because the law contains reservations or is not enforced, or because the administration maintains—perhaps deliberately—an atmosphere not very different from that which existed under martial law, in which individuals are reluctant to claim their rights for fear of some unspecified retribution."

Marcos also retained his dictatorial control over the making of government policy. At first Marcos dated all decrees January 16 in an attempt to sustain the fiction that he had given up his decree-making powers with the lifting of martial law on January

17. He stopped the charade after people started referring to January 16 as "The Longest Day." Even the claim that Marcos used his decree-making powers only on key legislation which required immediate action was abandoned after he decreed a ban on video games.

Marcos has not, in fact, used his decree-making powers frivolously:

- Presidential Decree 1810 grants Marcos the power to review all contracts, franchises, concessions, permits and other forms of privileges granted by the government for the exploration, development and exploitation of natural resources;

- Presidential Decree 1816 grants Marcos the power to modify or revise any fiscal incentive, including tax holidays and amnesties, granted under any statute;

- Presidential Decree 1818 prohibits the courts from interfering with any government project in mining, agriculture, forestry, fisheries, other natural resources, or in any government contract.

Although some foreign observers have noted more open expression of dissent in the country today, they also point out that repression continues. Only the U.S. State Department has unequivocally claimed improvement in the human rights situation in the Philippines. It was also the main cheerleader for Marcos' election, with Secretary of State Alexander Haig hailing Marcos' "wonderful victory" during a June ASEAN meeting in Manila.

The victory was a shabby one. Marcos needed to get himself reelected after the end of martial law removed the legal basis for his continued rule. He also needed a device to draw the elite opposition back into a political process over which he had more control after a rash of bombings in September and October 1980—which Marcos believed to be the handiwork of elite oppositionists. An election, especially one where Marcos himself was a candidate, seemed the perfect device. "Normalization" in this case meant a return to the pre-martial law situation in which conflicts between elite factions were mediated through electoral contests. But there was a catch: Marcos had to be sure in advance that he would win. Negotiations began in November 1980 when Imelda Marcos met with elite opposition leaders in the United States. A moratorium on urban terrorism was worked out in return for the end of martial law and elections. Elite oppositionists demanded a neutral election commission, access to the media, and other guarantees that the election would be fair. The talks dragged on until April, when it became clear to opposition leaders that Marcos was unwilling to make significant concessions. In the end, Marcos chose his own immediate political survival over the need to repair the widening rift within the ruling class. He disqualified his main rival,

not been active politically since the 1950s. Even Marcos conceded that Santos was not a credible opponent by disregarding him in his campaign speeches and focusing instead on the boycott movement. What little credibility the election exercise had without a serious opposition candidate was gradually eroded by the boycott movement. Marcos himself betrayed its importance by the increasing desperation of his tactics against it. He threatened six months' imprisonment for anyone who failed to vote and announced plans to prosecute two million people who did not vote in the April plebiscite. Toward the end of the campaign, Marcos even used the name of the late Pope Pius XII to claim that boycotting the election would be a mortal sin. A few days before the election, he resorted to open repression.

Intended to strengthen the Marcos dictatorship's deteriorating political position, "normalization" instead exposed the regime's weaknesses. Marcos' failure to repair the rift within the elite will have the most serious consequences, for it has already accelerated the polarization of Philippine society. UNIDO's alliance with NDF-led groups compounded the impact. "Normalization" was not even a success as a public relations exercise. Marcos continues to be portrayed with derision abroad. He has played a political high card without getting much out of it. And he can't play the same card again. Martial law can be lifted only once.

In addition to Marcos' failure to reintegrate the elite opposition into the ruling coalition through "normalization," Marcos is also losing support among business people who used to be his backers. This was noted by a World Bank study of the regime almost two years ago. The study, popularly known as the Ascher Memorandum, ascribed the decline of support for Marcos

The agenda for 1981 was "normalization."

Benigno Aquino, by raising the minimum age for candidacy and retained his control over the press and over the Commission on Elections.

When the United Democratic Opposition (UNIDO), the main elite opposition grouping, announced its boycott of the election in mid-April, Marcos tried his best to find someone outside the UNIDO with some degree of national prominence to run against him. Interim National Assembly member Reuben Canoy later revealed that he was offered 10 million (\$1.25 million) to run. There were no takers. In desperation, Marcos dredged up one Alejandro Santos, a retired Army general who had



Imelda Marcos is notorious for her extravagant tastes.

PNA



Ver



Enrile



Virata

among domestic entrepreneurs to: (1) the increasing importance of multinational corporations in the economy, (2) the expansion of the state enterprise sector, (3) the fact that "local firms with particularly good connections with the Marcos administration are consolidating their advantages," and (4) the removal of tariff and other protective measures from local industry.

The political impact of these trends was magnified by the recessionary economic conditions of 1981. Already reeling under the impact of the business slump, local manufacturers have also had to deal with the initial impact of the sharply reduced tariffs on competing imports. Widespread resentment over special privileges granted to business people with close palace connections boiled to the surface as a result of the

Factional struggles come into the open when doubts about Marcos' health surface.

allocation of billions of pesos to bail out their failing enterprises. A public debate on government policy towards the coconut industry exposed gross corruption by Marcos cronies who run the industry.

Finally, as one commentator (*Inside ASEAN*, 3 Feb. '82) put it: "The economic difficulties would seem less daunting if the Philippines were politically bouyant. Conversely, the political outlook would be less gloomy if the economy were bouyant. Instead, in the last few months of 1981, both economics and politics have together accentuated the "crisis of confidence."

Rumors that Marcos' health is failing have been circulating for at least two years. They will continue until Marcos releases a medical report from a reputable physician. Reports from a variety of sources say that Marcos is indeed suffering from a kidney disorder. But modern dialysis slows down the physical deterioration, except at certain unpredictable points when his condition suddenly takes a turn for the worse.

Doubts about Marcos' health have contributed to the sense of uncertainty about his regime among the country's foreign creditors and potential investors. It has also served to intensify the jockeying for power among the factions within the Marcos camp. Their battles over increasingly scarce economic plums are usually fought quietly, but they come to the surface, as in

the latter part of 1981, when doubts about Marcos' health precipitate a scramble for the best position from which to succeed him. There are many factions within the Marcos camp. But when the battle for succession comes, they are all likely to gravitate around two poles, the Imelda-Ver faction and the Enrile-Cojuangco faction.

Imelda Marcos' power, of course, derives first of all from her being Marcos' wife. The recent appointment of Gen. Fabian Ver as Armed Forces Chief-of-Staff places their faction in a strong position to increase its influence within the regular armed services. Ver already controls the large palace guard, the para-military Metropolitan Police Command (METROCOM) and commanders of units near Manila, plus the dictatorship's secret police, the NISA (National Intelligence and Security Agency). The Imelda-Ver faction's economic power is organized around the enterprises of Imelda's brother, Benjamin "Kokoy" Romualdez; her brother-in-law, Rodolfo Martel; the Enriquez family; and the Rustan group of companies. It also relies on bureaucrats such as Roman Cruz and Cesar Zalamea, who control government financial institutions.

Imelda has been successful in recruiting a group of ambitious young, would-be technocrats who spend their time concocting new projects with which to undercut old-line ministries and justify large increases in Imelda's Ministry of Human Settlements budget. Their most recent scheme, the *Kilusang Kabuhayan at Kaunlaran* (KKK, Movement for Livelihood and



Progress) provides the Imelda-Ver faction with billions of pesos over the next few years with which to win a following among the provincial elite.

The Imelda-Ver faction probably has more influence at this time than the Enrile-Cojuangco faction. But it has a weakness which could be fatal in a succession struggle. Both Imelda and Ver have what can only be characterized as "shady" reputations. Imelda is no more corrupt than her husband, but many people think she is because of her penchant for conspicuous consumption. She is also widely judged to be more violent and unscrupulous than Ferdinand. Whether or not it is true, many people believe that she had her son-in-law Tommy Manotoc kidnapped. General Ver has similar problems. His role as secret police chief—and his unconventional military career—have made him more feared than respected. His following in the officer corps is largely among graduates of ROTC schools. Officers from the more prestigious Philippine Military Academy consider him an upstart whose rise in the military derives more from political connections than military skills.

The Juan Ponce Enrile-Edward Cojuangco faction has tried its best to take advantage of the Imelda-Ver faction's lack of political credibility by building up its own. Enrile has tried to do this mainly through his attempts to conciliate the opposition. He has offered amnesty and legalization to the left and is generally lenient toward political detainees. He has made concessions to the student movement and overtures to certain elements in the elite opposition. Enrile has to do this because

The harassment of anti-Marcos forces in the United States is an escalation of U.S. support for the regime.

he has fewer economic and military resources under his immediate control than the Imelda-Ver faction. Not that Enrile is suffering. He has extensive investments in land and other enterprises and is the main patron of ACCRA, the largest law firm in the country, which often fronts for his investments. Eduardo Cojuangco controls the largest telephone company in the country, has extensive holdings in the sugar industry, land transportation and other sectors of the economy. Their largest and most lucrative holding, the coconut industry, however, is a political liability at this point. Enrile's decade-plus tenure as Minister of Defense has enabled him to build a network of allies within the military. But the appointment of Ver as Armed Forces Chief-of-Staff was a serious defeat for Enrile, who supported Philippine Constabulary Chief Gen. Fidel Ramos for the position.

For all of its current weaknesses, however, the Enrile-Cojuangco faction may ultimately be stronger than the Imelda-Ver faction, because the U.S. is likely to take its side in a succession struggle. In the event of Marcos' death, and without anyone as strong to replace him, the United States will probably want to sponsor a Philippine government based on an alliance of technocrats and more orthodox military officers such as Gen. Fidel Ramos. U.S. planners recognize that a post-Marcos regime will have to seek legitimacy through some form of liberalization as well as effective economic policies. The Enrile-Cojuangco faction is more likely to be able to accomplish these changes than is the Imelda-Ver faction.

Other groupings within the Marcos camp do not command the same range of economic and military resources as the Imelda and the Enrile factions. Although they do not have to identify

themselves with either leading faction today, they will be forced to align themselves in a succession struggle. The technocrats working with Prime Minister Cesar Virata, for example, have great influence over economic policy-making but only because they serve as perfect errand boys between the United States and the Marcos dictatorship. Marcos cronies such as Roberto Benedicto, Rodolfo Cuenca, Herminio Disini and Antonio Florendo control enormous economic resources, but they have little influence within the military.

Whatever the United States may do after Marcos' departure from the Philippine political scene, the Reagan administration is today fully committed to Marcos. Even the liberals in the Carter administration, and today, liberal Democrats in the Congress see Marcos as the best watchdog for the United States' military bases in the Philippines, its estimated \$3 billion in investments, and its 30 percent share of Philippine foreign trade. The Reagan administration's commitment to the Marcos dictatorship has been verbally extravagant. "We love your adherence to democratic principles and democratic processes," Vice President Bush gushed at Marcos' inauguration. But the \$173.2 million in U.S. economic and military assistance to the Philippines in 1981 was only \$14.4 million over that provided in 1980. The big jump from \$103.7 million (1979) to \$158.8 million (1980) in aid occurred in the last year of the Carter administration.

Reagan's most significant escalation of support for Marcos is the harassment of the anti-Marcos opposition in the U.S. and Reagan's willingness to disregard Marcos' violations of human rights. The harassment of oppositionists in the U.S. has included simultaneous FBI interrogations of elite oppositionists throughout the U.S., FBI raids on the house of elite oppositionist Steve Psinakis, the attempt to use self-confessed terrorist Victor Lovely to secure indictments of anti-Marcos people under the Neutrality Act, and the still pending extradition treaty. Rather than encouraging elite oppositionists to give in to Marcos, however, Reagan's destruction of their hope that the United States will help them to power has pushed them to organize among themselves.

Reagan is saving Marcos. But he may not be able to do as much for his successors. For the longer Marcos remains in power, the greater will be the role of the left in determining what kind of government will replace him. □



Despite widespread local and international opposition, work on the Bataan nuclear plant is continuing.

IN THE NAME OF SECURITY: A PHILIPPINE STRATEGIC HAMLET

Earl Martin



Laac refugees at barrio chapel.

The Philippine Army has uprooted 25,000 villagers in one area to deny support to the New People's Army

The government decree ordered them to move. So Anita Tamayo—nine months pregnant—and her husband Cesar tore down their farm house and trekked into San Vicente's barrio center. There they found space in a tiny room behind the San Vicente chapel. Five days later, on November 1, 1981, Anita gave birth to a son. She named him Anisar.

Anita and Cesar were among 25,000 people in the Davao-Norte-Agusan border area who were forced to destroy their rural homes and move to barrio centers. Cesar then became one of 7,951 persons who registered as "rebel surrenderees" and pledged their allegiance to the government of the Philippines at a mass rally administered by Maj. Gen. Delfin C. Castro of SOUTHCOM.

The enforced relocation of the people in San Vicente and in four surrounding municipalities is the military's attempt to curb the growing influence of the communist New People's Army (NPA) in this remote area several rough-riding hours north of Tagum. Brig. Gen. Alfredo Olano, PC commander for Region XI, said in a recent interview in Davao that the San Vicente operation is modeled on the "strategic hamlet" strategy employed widely in the Vietnam War. Military planners here—often issuing orders through civil authorities—expressed hope that this strategy will deny a base of popular support to the NPA guerrillas.

In October, San Vicente farmers were told that by November 1 all scattered houses must be substantially dismantled and that farmers must regroup along village roads or in *sitio* (a cluster of houses) centers. But just as they were rebuilding, a new order

announced that by November 30, all farmers must leave the *sitios* and rebuild in the larger *barrio* centers. Many farmers had to move twice. In the weeks following the precipitous orders, families have been crowded into makeshift hovels or partially-completed new structures. Some occupied schoolrooms and village chapels.

Scores of small children have gotten sick because of the hasty evacuations. At least 10 have died, victims of impure water, poor sanitation, and exposure to the elements in inadequate structures. Possibly the number is many times that. San Vicente Mayor Panfilo Amoren recently raised a more ominous alarm, "Malaria is now a major problem here." Church and government workers have brought in some medicines, but this municipality of 35,000 persons served by a single doctor still faces a medical emergency.

The rains of recent weeks have only compounded the problem of sickness. Under an evening drizzle, several mothers with small, sick children and I attempted to unmire a decrepit jeepney from a hole along the tortuous 60-kilometer road to the provincial capital of Tagum. The women were taking their crying children to the hospital for treatment. One mother sheltering her baby from the rain with a thin blanket, said that her family was now distraught because they had no house and they were far from their farmland.

To care for their one- to five-hectare plots of corn, coffee and cacao, San Vicente farmers must now walk up to six miles to their land, leaving after sunrise and returning to the fortified barrio centers by 5:00 p.m. They may take only enough lunch for themselves, so they cannot feed the insurgents in the area. No cooking pots are to remain in the countryside.

Farmers here complain that they have less energy and time to work now that they spend so much of both walking to their farms. Preoccupied with providing shelter for their families in October and November, many farmers said they were unable to

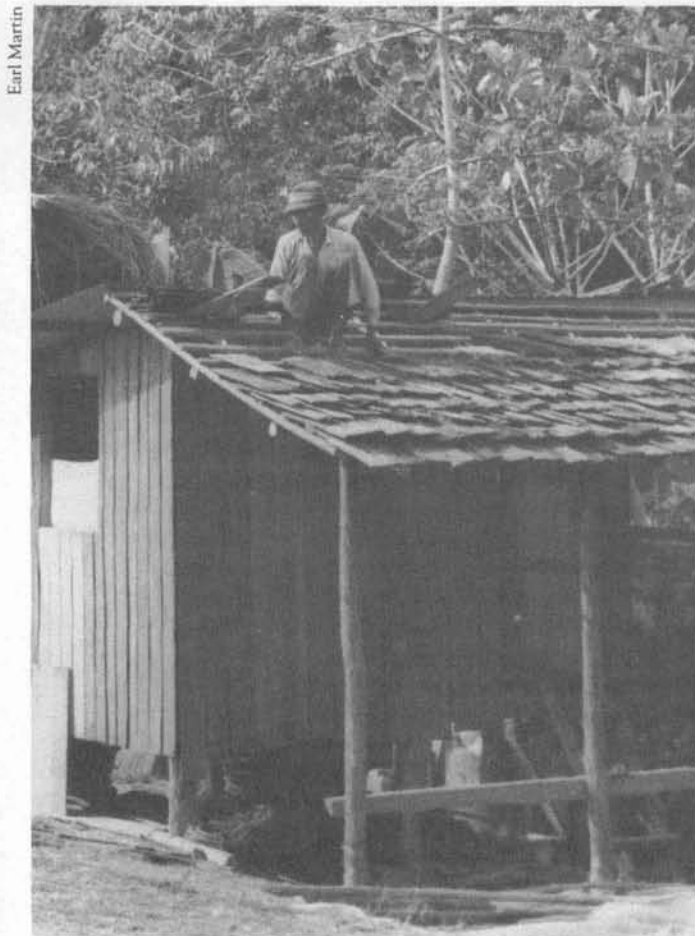
Earl Martin is a representative of the Mennonite Central Committee in Bukidnon province, Mindanao. He previously spent five years in Vietnam and is the author of Reaching the Other side, an account of his experiences in Vietnam during the months immediately following the victory of the National Liberation Front.

plant as much as usual and they fear hunger in January or February.

Gen. Olano maintains that the increase in "security" offsets some loss in production. "You can't have heaven all the time," he said. "It's a choice between security and production. I think if I had to choose, I'd say security was more important than production." When told of one farmer who had to walk over five miles to his fields, Gen. Olano did indicate, however, that "certain innovations" could be made in the strategy, such as establishing new settlements closer to the farms.

In many of the 29 barrios of San Vicente municipality, farmers have to check out and in with the barrio captain when they go to and come from their fields. Farmers showed us "safety passes" issued by local military detachments which permit them to get wood in the forest. In some of the "critical" fortified villages, each family has to post a list of occupants in front of the house. After curfew, if any extra persons are present in the house or if any persons are missing, it is a cause to suspect subversive activity. When three Catholic sisters on a relief mission slept with a family in Mabuhay barrio recently, the house was searched at midnight.

Farmers who do not want to destroy their farmhouses in the countryside may leave the frame standing if they tear down the sides and floor so the interior is visible to passing troop patrols. The military has threatened to burn houses which are not dismantled. Few farmers have dared to resist the order. In Linumbaan *sitio* officials conceded they had set the torch to at least one small house as an example.



Farmers were forced to dismantle their homes.

In addition to denying the NPA guerrillas access to the people, Gen. Olano says the strategic grouping will allow more freedom for military operations. "When we go on operations at night, we will know that any movement in the field is enemy." From October through December, the Philippine Army's 37th Infantry Battalion plus various Airborne and Scout Ranger units established military camps throughout the district. The headquarters of the 37th IB has taken over an elementary school building in the town center so school children have doubled up in other classrooms.

When asked if the military helped the people build their new houses, one farmer in Imelda barrio replied, "Oh no, in fact they required us to help build their quarters. Each family had to donate a certain number of man-days labor to help them." I heard the same testimony in many other barrios.

The mood in the outlying fortified barrios can only be described as tense. I spent five years in Vietnam during the war,

At least 10 children have died—and scores are sick—because of the evacuation.

working with farmer evacuees, and a recent night in Linumbaan poignantly evoked that atmosphere. On September 4, an NPA ambush at Linumbaan left five soldiers, two local militiamen and two civilians dead. Today its crowded cluster of several hundred families is guarded by soldiers in outposts on the four hills that box in the little neighborhood. Lying restlessly on benches in the village chapel with several farmer evacuees, I heard the sentries on the surrounding hills shout signals to each other throughout the night.

What is the justification for this massive "strategic hamlet" operation? Military personnel interviewed in San Vicente (popularly called by its old name "Laac") said that until recent months "95 percent of the people of Laac were NPA supporters." The figure is a subjective—and probably exaggerated—estimate. But interviews with farmers reveal that in fact the NPA had established widespread influence in organizing efforts which began in the years following the declaration of martial law. While landlordism and tenancy are not as severe in San Vicente as in some areas, many of the Cebuano and Boholano settlers in the Agusan-Davao del Norte border area experienced land instability before they settled in this remote, hilly area of Mindanao. Some were reportedly dislocated by the large banana plantations in the flat lands closer to Tagum. So it was around land issues that the NPA were successful in mobilizing "people's organizations." In recent years the NPA became established enough to collect taxes from most of the barrios of San Vicente. Farmers here said that the average family paid one peso per month, but that better-off families might pay two, five or 10 pesos. Businessmen might pay up to 70 per month.

The NPA placed primary stress on "political mobilization," but its forces also carried out occasional ambushes of military patrols and assassinated individuals, especially government informers, who posed a security threat to them.

Nevertheless, it appears that the NPA did not flaunt its military power in the area. Says Fr. Ely Bianchi, who served the whole municipality over the last year, "I've never seen a single man going around with a firearm, so there can't be that many." Mayor Amoren concurs, "I traveled freely to all the barrios. It was peaceful here. In the January 1980 local elections, the

people voted KBL (Marcos' party). In the April 1981 referendum, the people voted 'yes.' But in the June presidential elections, not one person in 16 out of 29 barrios cast a vote. It was only then that we discovered how extensive NPA influence was in this municipality.

Is there a legal basis by which government authorities can require farmers to leave their homes and live in militarily-guarded villages? Says Gen. Olano, "We don't force them. We

"We don't want to live here long. If we do, what will we eat?"

ask them. We say, 'Let's give it a try.'" Mayor Amoren—perhaps caught in political-military forces beyond his control—says candidly, "We issued a municipal ordinance which said that while we are recovering the peace and order in San Vicente, we request the people to group." He also says that under the present arrangement "if a farmer doesn't come to the group, it shows he is an enemy."

Farmers interviewed stated that generally the soldiers are on good behavior personally. "Surely they drink, but at least they're paying for the beer," said one farmer. A visiting priest said that in one barrio an erring soldier was publicly disciplined by being beaten in front of the people. San Vicente youth were delighted when the battalion gave P50 to their Christmas caroling group. On the other hand, reports abound that the military treats the few persons arrested as NPA suspects harshly. One victim said in a sworn affidavit that high military officers in San Vicente beat him with a rattan stick and subjected him to water torture in an effort to get him to tell who had killed a certain barrio captain in the area.

One unresolved case involves a certain Guillermo Lauronal, a community leader from San Vicente's Aguinaldo barangay. He was picked up on September 24 and taken to an unknown

place, and relatives and church workers have not been able to locate him. I interviewed an eyewitness who saw the Scout Rangers shoot a man near the San Vicente barracks on September 28. It is believed that the victim was Lauronal, but so far even a letter from Tagum's Catholic Bishop Pedro R. Dean to the PC Commander has not produced light on the whereabouts of the body—dead or alive—of Lauronal.

The "strategic hamlet" operations of San Vicente may comprise a military experiment. The strategy was widely discredited in the Vietnam War when guerrillas moved into the fortified villages with the people, but the PC Commander of Davao del Norte told church workers that the operation under "Task Force Aguda" was a "trial" which would be implemented in other areas if deemed successful. In recent weeks the "hamletting" strategy has been applied on some of the barangays in San Vicente's four neighboring municipalities of Asuncion, Monkayo in Davao del Norte province and Varuela and Loreta in Agusan Sur province.

How long will the farmers of San Vicente have to stay in the strategic barangays? Farmers here vowed that they will go back to live on their farms "at all costs." Officially there remains much lack of clarity. Mayor Amoren says it will be "just a matter of months" until the people can go home. Gen. Olano says, "It will be up to the people. But as they find the advantages of being together, not only for security but in the services we can provide them, I think they will find it advantageous to stay in those communities. Families should learn to live together with other families, as communities."

For the time being, sickness and food seem to be the primary preoccupations of San Vicente's farmers. Anita Tamayo, nursing baby Anisar, amazingly still exudes a joy and tranquility quintessential for a Filipina mother. But like a Madonna of yesteryear, Anita has much to "ponder in her heart." She says quietly, "We don't want to live here long. If we do, what will we eat?" □

Earl Martin



Evacuees had to build military barracks apart from their own temporary shelters.

ECONOMY IN CRISIS

Joel Rocamora

The economy is in the throes of the worst crisis since 1970.

1981 was not very kind to the Philippine economy. Marcos' economic managers claimed that "overall economic performance was creditable." But the figures in their own reports told a different story. Central Bank Governor Jaime Laya reported that for the first time in years, export receipts declined, from \$4.65 billion in 1980 to \$4.45 billion in 1981. Since import payments rose to \$6.98 billion from \$6.37 in 1980, the Philippines ended the year with its highest ever trade deficit, \$2.53 billion, up 47 percent from 1980's \$1.72 billion.

Another distressing statistic from the Philippines' 1981 economic performance was the \$1.1 billion in interest payments on the country's foreign debt—almost half again as much as the \$709 million paid in 1980. This steep increase was the result of the unusually high international interest rates on one-third of the country's debt with variable interest. International rates remain high and another \$3.13 billion has been borrowed in 1981. Debt service payments (interest plus principal) on the country's now \$15.8 billion debt will thus be even higher in 1982.

The implications of Mr. Laya's dry statistics are dismal. For the Marcos dictatorship, they portray a much more constricted arena for economic maneuver. In the past, bigger and bigger trade deficits and a fast-growing foreign debt could be sustained by growing exports. The decline in export receipts in 1981 will require readjustments in this economic treadmill. The government, for example, has already announced that foreign loans for 1982 will be limited to \$2.4 billion, well below the \$3.13 billion borrowed in 1981.

If foreign markets for Philippine exports do not pick up significantly in 1982, the downward spiral in Philippine economic fortunes will become even steeper. Declining export receipts will exert downward pressure on imports. A slower import growth rate will make it difficult to sustain high growth rates in export industries dependent on imported materials. Diminished foreign borrowing will keep domestic credit markets tight and overall economic activity, including export-oriented industries, at a low pitch.

Another outcome of the Philippines' dismal economic performance in 1981 is the Marcos regime's even greater dependence on the International Monetary Fund and the World Bank. Repatriated earnings of migrant workers, tourism receipts, short-term loans and investment were not in themselves sufficient to make up for the large balance of trade deficit. The remaining \$560 million payments deficit had to be covered by heavy International Monetary Fund and World Bank lending. As the *Far Eastern Economic Review* (11 Dec. 1981) explained it: "Drawings from the Philippines' current two-year standby [IMF credit] of 410 million SDR's (Special Drawing Rights) and drawdowns on quick-disbursing World Bank structural adjustment loans have played an important role not just in funding the current account deficit but in enabling government counter-cyclical spending to be sustained in the face of static tax revenues."



Randy West

For most Filipinos, 1981 was an economic disaster. Hardest hit were the 14 million people who depend on the coconut industry for their livelihood. Coconut prices dropped by more than 50 percent between 1979 and 1981. When the government-backed monopoly UNICOM stopped buying in September 1981, the prices went through the floor.

One Davao coconut farmer tells a tale of the devastation wreaked by the coconut crisis. In the seventies, Efigenio Encinares' P1000 (\$125) a month income from his five-acre farm put him and his family among the struggling but comfortable middle class. Today, he earns only a third to half that amount. His family is eating poorly and cannot buy clothes, and four of his five children have had to stop going to school.

Encinares' drop in income is dramatic. For most other Fili-



Laya



Silverio



Disini



Cuenca

pinos, the process has been gradual. Rice and corn farmers, the most numerous in the country, have fought a losing battle against fast rising fertilizer, insecticide, irrigation and seed prices on the one hand, and a government-imposed ceiling on grain prices on the other. In 1981, they also faced unusually destructive typhoons. Like everyone else, they have had to deal with 15-20 percent annual inflation in the past three years.

Even the decline in the inflation rate to 13 percent in 1981 brought its own problems. Slumping businesses laid off close to 200,000 workers in the first half of 1981 alone. The Ministry of Labor said that unemployment throughout the country rose dramatically from 6.5 percent in 1979 to 14.6 percent in 1981. The government's Development Academy of the Philippines reported that unemployment was as much as 26 percent in Metro Manila. Underemployment, estimated at half the 17 million-strong labor force during normal years, almost certainly worsened in 1981.

One businessman, a manufacturer of matches, told the *Asian Wall Street Journal* (17 Dec. 1981) that he had never seen anything like the problems he saw in 1981. "This year is completely different from any other hard time," he said. "In most bad times, people drink and smoke more. This year they've had to cut back on their drinks and cigarettes—and their matches." His sales are off 20-25 percent, the businessman said.

When textile magnate Dewey Dee left the Philippines in January 1981, hardly anyone noticed. They should have. Dee left behind \$80 million or more in personal and corporate debts. The ensuing panic brought the local financial market to the edge of collapse. Although massive infusions of government money resolved the crisis by the end of

the year, the whole process laid bare the weaknesses of several of the largest business enterprises in the country. Favoritism towards the foundering businesses of Marcos cronies in the allocation of billions of pesos of bailout funds provoked a storm of protest whose political impact is likely to be felt many years from now.

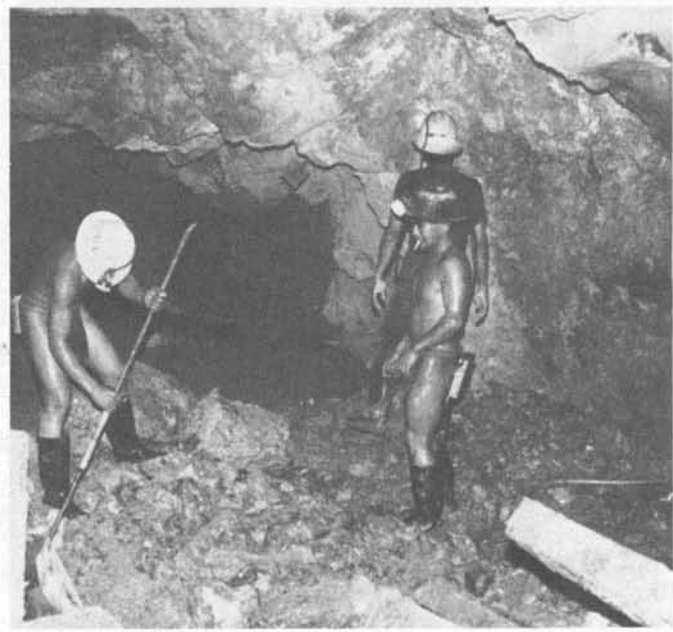
Much of Dee's debt was in short-term money market loans. When he left, worried investors suddenly began to withdraw their deposits from the quasi-banking investment houses which dominated the money market. As if this was not bad enough, the investment houses also found that their corporate borrowers could not repay their loans. Several of the largest investment houses in the country, including Bancom, Atrium, and Philfinance, faced imminent collapse. More ominously, several business conglomerates with hundreds of thousands of employees flirted with bankruptcy.

The government moved to save the situation by providing the investment houses with emergency loans with which to pay their depositors. In March, a combination of loans and investments was provided to the ailing companies. Similar loan and

1981 crisis has deepened the regime's dependence on the IMF and World Bank.

equity packages were provided to the investment houses in July and August. The government also assisted in reorganizing several investment houses into commercial banks with more substantial financial bases and diversified services. In September, Central Bank Governor Jaime Laya, the main architect of the bailout operation, confidently declared the "crisis in confidence" in the Philippine financial system over.

Many remained skeptical. One of the problems exposed by the crisis was inadequate government supervision of the financial system. In particular, critics pointed to the supervisory system's susceptibility to pressure from politically well-connected business interests. The case of Philippine Underwriters Finance Corporation (Philfinance) provided a striking example. Philfinance collapsed in July 1981 leaving more than



Benguet miners work in muggy 110° temperature mine shafts.

\$100 million in unpaid obligations. This unleashed a public battle between Philfinance's main owner, Marcos crony Ricardo Silverio, and its management. Among the charges lodged against Philfinance managers was the issuance of bad checks and commercial paper in the names of non-existent companies. Management, in turn, said that all the problems of the company could be traced to Silverio's failure to repay substantial loans from the company.

Questions raised by the Philfinance scandal go beyond the corruption of company officers. Central Bank rules require that money market operators who lend to more than 20 people must have a "quasi-banking license." Philfinance did business with some 700 debtors, yet had no license. Although the government initially declared that the company would be liquidated, recent government moves indicate that it may be allowed to reopen. The only guarantee required is that government money borrowed by the company be repaid. Meanwhile, other investors, including several hundred schoolteachers, remain unpaid.

Accusations of government favoritism were raised even more loudly with the bailout of other Marcos cronies. Over a billion pesos in loans and investment funds were provided to Construction Development Corporation of the Philippines (CDCP), a giant construction firm and centerpiece of the business empire of Marcos crony Rodolfo Cuenca. Because the loan to CDCP was set at 15 percent annual interest at a time when market rates were running at 25 percent and higher, the government was actually subsidizing the CDCP.

The investment of government funds in CDCP and later the companies of Herminio Disini, another Marcos crony, also raised serious questions. The government bought CDCP stock at par value at a time when its book value was considerably less. In the case of companies not owned by Marcos' friends, government investments carried with them a requirement to match government funds with their own. Marcos cronies faced no such requirement. More recently, mining executives—none of them in Marcos' intimate circle—have complained that they are required to pledge to prioritize payments on loans from a government mining industry bailout fund.

For most business people, what was particularly galling about the bailout program for Marcos cronies was the fact that these companies were in trouble precisely because of past government favors. Prior to martial law, Marcos cronies had small, struggling businesses. They zoomed to the top ranks of the Philippine business world, building conglomerates with billions of dollars in sales, within a few years after their patron and secret partner, Marcos, acquired the power to provide them with favors through his absolute control of economic decision-making under martial law. But precisely because these conglomerates grew so fast, they were built on shaky financial and management foundations. The recessionary business conditions of 1981, combined with the collapse of their money market sources of short-term financing, easily undermined these foundations and brought these companies close to bankruptcy.

The most vehement critic of the bailouts was mining executive Jaime Ongpin. The government, Ongpin said, was "throwing good money after bad." "These self-proclaimed victims," he added, "have at the very least deprived the legitimate segments of business of their just share of government contracts or government financing." Ongpin's public criticism was particularly embarrassing to the government because his brother is Minister of Industry. Ongpin quickly became a minor hero in Manila



Coconut farmers have lost half their income.

business circles, providing a glimpse of the depth and breadth of dissatisfaction with government coddling of Marcos friends.

Two other aspects of the bailout program have generated concern in Manila business circles. Government investments in troubled companies have given the government controlling interest in these companies and significantly enlarged the state capitalist sector. The enforced merger of troubled investment houses to form large commercial banks has also come in for some criticism. "The supposed increase in the efficiency of the financial system . . . effectively means that the small and medium scale businesses suffer, while concentration of economic and financial power is inexorably vested in big corporations and in bigger government," Manila economist Jesus Estanislao points out. (*Asian Finance*, 15 Sept. 1981)

Whatever the long-run implications of this development may be, one short-run consequence is the intensification of the

Even the sale of matches is down.

conflict between the technocrats and Marcos cronies. Cronies Herminio Disini and Rodolfo Cuenca have retained management control over their companies. But 70 percent of the stocks in these companies now rests in the hands of government banks, providing technocrats who run the banks with a great deal of potential power.

Given the way they have squeezed these companies for personal profit, the cronies are now understandably worried about the financial audits currently being conducted by government banks. Reliable sources in Manila say that one Development Bank of the Philippines governor was roughed up by a couple of goons and warned against looking too carefully at the accounts of CDCP.

Another, more public, battleground in the escalating war between the technocrats and Marcos cronies is the coconut industry. Starting in September 1981, Manila's newspaper readers avidly followed the charges and countercharges that flew between detractors and supporters of a government-imposed levy on the sale of copra. This time, interest was sustained not just by the spectacle of infighting within the Marcos camp but by the fact that one out of three Filipinos would be affected by the outcome of the battle.

On January 16, 1982 Marcos resolved the now five-month-old battle essentially by splitting the difference between the two sides. He reduced the levy from P50 (\$6) per 100 kilograms of copra to P32 (\$4) in response to technocrats who claimed that the levy had become an overbearing drag on rural incomes and on the operation of market forces in a key industry. By retaining the levy, however, Marcos indicated his continued support of the industrial and financial empire built from levy funds by Defense Minister Juan Ponce Enrile and crony Eduardo Cojuangco. The only victim was the poor coconut farmer who had to continue paying 17 percent of his already rock-bottom income to the levy.

By placing the levy on a sliding scale based on world market prices, Marcos seems to have found a formula that has mollified the combatants. But while it raged, the battle exposed details of

One government program is billed as based on the combined ideas of Franklin Delano Roosevelt, Mao Zedong and Ronald Reagan.

mismanagement and gross corruption the likes of which people had never seen before. It also graphically revealed the ways in which Marcos uses his dictatorial powers to advance the economic interests of his cronies.

The levy was first imposed in 1973 at a time of high coconut prices and heavy export demand which resulted in a local shortage of cooking oil and other coconut-based mass consumption products. Its original purpose was to subsidize production of these items. The shortage passed and world market prices dropped. The levy, however, remained. The rationale became more and more grandiose as levy funds accumulated and the burden on coconut farmers increased with steadily declining prices.

Estimates of the total amount collected between 1973 and 1981 range as high as P8.5 billion (\$1.1 billion). The rationale for the levy's continued existence eventually came to include a coconut replanting program, a variety of welfare programs for coconut farmers, and most importantly, the vertical integration of the industry as a way to mitigate violent fluctuations in the domestic and world market prices of coconut products. An elaborate system of companies centered in the United Coconut Planters Bank (UCPB) and United Coconut Oil Mills, Inc. (UNICOM) was built largely out of levy funds. In 1979, UNICOM acquired monopoly control over coconut oil milling and export and therefore over the industry as a whole.

This process began in June 1978 when the subsidy on coconut-based consumer products was drastically cut back. This move was accompanied by a set of government rules which encouraged the export of copra despite the regime's supposed commitment to increasing processed raw material exports. As a result, coconut oil mills had difficulty finding copra to mill. What was available was priced prohibitively.

The predicament of the mills was exactly what Enrile and company ordered. With the mills in financial distress, UCPB moved in with purchase offers. When several large mills refused to sell out, Marcos promulgated a decree in September 1979 ordering them to sell or to affiliate with UNICOM. By the end of the year, UNICOM and its affiliates controlled more than 90 percent of milling capacity in the country.

In spite of the monopoly powers of the UCPB-UNICOM system over the entire coconut industry plus the fact that the system is financed out of a government-imposed levy, it remains

privately owned. Enrile and Cojuangco have manipulated the companies in such a way that they not only control levy funds invested in UCPB and UNICOM, they have also built up their equity share in these companies, often without having to spend a single centavo of their own money.

Cojuangco's 7.2 percent personal share of UCPB, for example, was paid out of levy funds. A P5 million (\$595,000) investment in UNICOM by Enrile's law firm, ACCRA, was spun into a P100 million (\$12 million) share through stock splits and other means in a period of three years. Interestingly enough, a P495 million (\$59 million) investment of levy funds ended up with only P400 million (\$47.5 million) nominal value in the same period—the reverse side of the same financial sleight-of-hand.

Both UCPB and UNICOM have been extremely profitable. Starting out as the 16th largest bank in 1975, UCPB became the fifth largest by 1980. Undivided profits grew from P14 million (\$1.7 million) in 1975 to P213 million (\$25.3 million) by 1980. This success story has a simple explanation. Billions of pesos of levy funds are deposited with UCPB *without interest!*

Another source of profit for Enrile and Cojuangco is the program for replanting coconut trees. The exclusive supplier of seednuts for the whole program is a company owned by Cojuangco. One critic of the program says that the seednuts are not only overpriced, they are often not any good. One shipment of 24,000 seednuts had only 9,000 that could be planted. The critic also pointed out that this shipment was made in a Philippine Air Force transport plane.

The gross corruption of the Enrile-Cojuangco faction is magnified by the fact that, far from advancing the interests of the industry, UNICOM operations have hurt it. For the smallholders who constitute the most numerous coconut farmers, UNICOM has brought unmitigated disaster. When world market coconut prices are high, their profits are drained off through a higher levy or low monopoly buying prices. When world market prices drop, UNICOM manages to find excuses to avoid providing the subsidies they are supposed to provide.

UNICOM has further failed in its pledge to assure stable export prices. Its attempt to manipulate the world market in coconut oil in 1979 resulted instead in millions of dollars in losses and long-term damage to the industry. According to the former manager of one of its U.S. subsidiaries, UNICOM ordered the stockpiling of coconut oil in late 1979 in the hope of pushing up declining prices. Instead of going up, prices continued to go down. UNICOM not only lost \$10 million on the caper, it is still facing price manipulation suits that could cost ten times more. Most importantly, the Philippine share of the U.S. coconut oil market slumped as buyers switched to other kinds of vegetable oil.

While the unbridled greed of Marcos and his cronies has taken a heavy toll on the Philippine economy, it is not the chief source of the country's economic woes. Technocrats may come out of their fights with cronies smelling of roses, but they, in fact, are more to blame for the country's economic predicament. It is their subservience to the self-interested prescriptions of the U.S. and other advanced capitalist countries that determines the broader trends in the economy. It is their policies that have intensified the export orientation of the economy precisely at a time when stagflation and protectionism have made Western export markets highly unstable.

The technocrat prescription for resolving the current crisis? More of the same! To make Philippine manufacturing indus-



Flower pots out of old tires—Davao City poor.

tries supposedly more competitive in the international market, protective tariffs are gradually being removed under a World Bank program for "industrial restructuring."* But these measures are doing anything but strengthening these industries. Local manufacturers are discovering that they cannot increase exports because of the recession and growing protectionism of developed capitalist countries. Worse, without tariff protection, they are also losing the domestic market to cheaper imports.

One government program that diverges from the standard export orientation, the construction of 11 heavy industrial plants, is way behind schedule and is not likely to be fully implemented. Of the eleven projects, only four, a copper smelter, phosphate fertilizer plant, cement factory and one of two diesel engine manufacturing plants are currently under construction. Seven other projects have been postponed for one or another reason and are not likely to be implemented in time for the 1985 target date.

The program that Marcos calls the "centerpiece of the development strategy" of his administration is the *Kilusang Kabuhayan at Kaunlaran* (KKK, Movement for Livelihood and Development). Under the program, the government will provide funding and technical advice for small-scale enterprises in the country's 42,000 *barangays*, the country's smallest administrative unit. Mrs. Imelda Marcos, the First Lady, will run the program but the whole government machinery including the military will be called upon to help out.

Since the program was announced in September 1981, the regime has put together a big, brassy publicity campaign to promote it. The campaign itself betrays the program's shallow, palliative character. Any economic program that is billed as "patterned after the New Deal of Franklin Delano Roosevelt, with the scope of the Great Leap Forward of Mao Zedong, and the supply-side economics of Ronald Reagan" has to be a put-on, a scam or both.

The economics of the program are equally fuzzy. It is supposed to generate 250,000 new jobs, one job for every P10,000 (\$1,200) loaned out of program funds. But out of the program's P1 billion (\$120 million) budget, only P300 million (\$35.7

* For a more detailed description of this program, see Robin Broad, "Opening the Door to the Philippines," *Southeast Asia Chronicle*, No. 81, December 1981.

million) is allotted for loans. This would mean 30,000 new jobs, a mere pittance considering that 500,000 people enter the labor force each year. If the loan fund is divided equally among the country's 42,000 *barangays*, each would get only a little over P7000 (\$950). Few enterprises can be set up for that amount.

If the program seems ludicrous when measured against its supposed economic goals, its political goals are far easier to understand. With rural incomes depressed by the crisis in the sugar and coconut industries, Marcos is clearly using the KKK to pump money into the rural economy in a vain attempt to prevent the rural population from supporting the growing National Democratic Front (NDF). Given conditions in the countryside, however, program loans will mostly go to local landlords, bureaucrats and military officers. Far from benefiting from the program, poor peasants are likely to be further victimized through landgrabbing and forced labor.

In barrio San Antonio, Laac town in Davao del Norte, for example, people were driven away from their homes and farms under the pretext of relocating them to a fortified "strategic hamlet." It was only later that they were told that a 900-hectare portion of their barrio would be cleared and planted with ipil-ipil trees, a fast-growing variety used for pulp wood. Col. Alejandro Cruz of the 37th Infantry Battalion, the military unit assigned to the area, said that he would administer the project as part of the KKK program. Farmers displaced by the plantation have not been told where they are to be relocated. All men in the barrio are required to work one day a week for the plantation without pay. Those who refuse to participate will be considered rebel sympathizers, Col. Cruz said.

For Col. Cruz, the project in Laac is likely to be highly profitable. In much the same way as the coconut industry made money for Marcos' followers, the KKK program is likely to do the same. But, again like the coconut scheme, it is not going to alleviate rural poverty as government propagandists would have us believe. Neither is it going to resolve the current economic crisis.

None of the regime's current programs are likely to have much impact on the main source of the crisis, the country's chronic balance-of-payments problems. These programs, in fact, will only intensify dependence on advanced capitalist countries which, in turn, is the source of the payments deficits. This does not mean that the Philippine economy will soon collapse. The U.S. stake in the Philippines is such that through the IMF and the World Bank, the U.S. will come through with the loans necessary to keep the economy afloat. The vicious circle will continue. But it is not a closed circle. For the very process which keeps it going is also generating the forces which will ultimately break it. □



IN THE SHADOW OF SUBIC: CASTAWAYS OF AN IMPERIAL NAVY

When the U.S. Navy came to Subic Bay, it transformed a prosperous farming and fishing community into a poverty-stricken barrio.

Paul Hutchcroft

Thirty years ago, Monica* and her family enjoyed a good life. "At Old Banicain," she told me, "we had a nice place. We farmed two hectares of rice, we could grow our own vegetables, and there were banana and mango trees on our land." Many fishermen in Old Banicain drew their livelihood from the rich waters of nearby Subic Bay. But in 1956, the Navy Construction Battalion, or "Seabees," came into Old Banicain to build Cubi Point Naval Air Station, adjacent to Subic Naval Base. The Seabees moved 20 million cubic yards of earth to build the Cubi Point facility—more land than was moved to construct the Panama Canal.¹ The Navy wanted Cubi as a base to provide support to Seventh Fleet naval air units, a need made apparent by the Korean War. In the process, however, Monica and her family were moved aside, along with the rest of the residents of Old Banicain. Even though her family had title to the land, they received no compensation from the U.S. Navy for their two hectares.

Today, Monica lives in Lower Kalaklan, a fishing barrio of Olongapo City. Her small house, built mostly of scrap lumber, sits in the midst of many other such dwellings along the banks of the "Shit River," a drainage canal so named by the American sailors because of the smell it acquires from the dump up-

stream. Dozens of small fishing boats line the north side of the river. On the opposite shore a 40-foot guard tower is manned by American and Philippine Marines carrying M-16s. A high barbed-wire fence runs along the perimeter of the naval base, all the way out to where the river drains into Subic Bay.

The complex infrastructure on the Navy's side of the river contrasts boldly with the poverty of Lower Kalaklan. Skin diseases and malnutrition afflict many of the children; their parents cannot always afford health care or enough food for them. Sometimes when children swim too close to the other side of the river, the Marines jab their rifles through the fence to frighten them away. Some Kalaklan residents have to beg for money from the sailors. Donning long evening gowns, young women known as "throw-me-coins girls" take boats up the "Shit River" to the main gate of the base, where they wait for servicemen on the bridge above to throw coins down to them. Little boys dive into the water for coins.

Subic Naval Facility and Clark Air Field, 60 kilometers inland from Olongapo in Central Luzon, are legacies of the kind of "independence" granted to the Philippines in 1946. In need of rehabilitation assistance for their war-ravaged country, Filipino leaders agreed to U.S. demands to establish 23 military base areas for a period of 99 years. Although there are now fewer bases, and the lease period has been reduced considerably, it is still true that, "Nowhere in the world

*Not her real name.



Olongapo fisherman.

are we able to use our military bases with less restrictions than we do in the Philippines."² In 1979, in return for half a billion dollars of military and economic aid, and a few harmless symbols of Philippine "sovereignty" over the bases, the Marcos regime once again pledged to allow "unhindered military operations" by the U.S. on the bases.

U.S. servicemen were stationed near present-day Clark and Subic during U.S. colonial rule in the first half of the century, but the bases became more important after independence. Subic was expanded from a modest refueling facility into a fortress sprawling over 15,000 hectares of land and 11,000 hectares of water. Clark engulfed 55,000 hectares of land in the fertile plains of Central Luzon—more area than either the District of Columbia or Singapore. Since World War II, Olongapo has grown from a fishing village of 2,000 to a city of 200,000. Pushed aside from its original location by the base, it is now wedged between mountains on land that was formerly a swamp. Its growth has always been directly connected with the build-up of U.S. forces in the Western Pacific: the Korean War, and especially the Vietnam War, led to a mushrooming of Olongapo and its rest and recreation industry. As one local newspaperman told me, "This is the only place in the country where there are people who want war—and pray for war!"

Paul Hutchcroft is on the national staff of Clergy and Laity Concerned. He spent two years in the Philippines as a Mission Intern for the United Methodist Church General Board of Global Ministries.

The expansion of the base and the city did not benefit the towns-people generally because the base strangled other economic opportunities. Monica's husband is now a fisherman, and Monica sells their catch in the local market. The fishing in Subic Bay, however, is nothing like what it used to be. A giant portion of the bay—11,000 hectares—has been marked off by buoys for American use only. Any Filipino fisherman who accidentally ventures into this area faces interrogation and a shuffle from one authority to another, sometimes accompanied by such harassment tactics as being forced to sit for hours in an over-air-conditioned room. Residents told me that in January, 1981, a Lower Kalaklan fisherman was shot to death when his boat ventured too close to the base shore of the river. A Philippine Marine in the guard tower suspected him of being a thief, and opened fire with his M-16.

Not only are fishermen cut off from large parts of Subic Bay: there are fewer fish to catch. Pollution from ships and the base kills fish, and motor noises and vibrations scare them away. The fishermen worry about more pollution from a giant ship repair facility now under construction in Subic Bay by a Philippine-Japan joint venture. In order to feed their families, the fishermen must now venture miles into the South China Sea. High fuel costs make it hard to win a profit from these long trips, and the small boats are not built for the open sea. Monica's brother and her grandson have been lost at sea in recent years.

Many of the residents of Lower Kalaklan work at the base, since there are so few other employment options. Monica's son-in-law Jerry* has worked as a stevedore at the Naval Magazine for many years. South of Cubi Point, the Navy has set aside 5,200 hectares for two large munitions storage and transfer piers. The magazine gave crucial support to U.S. intervention in Vietnam (in one 30-day period during the war, 164,000 tons of ammunition were shipped to South Vietnam), and it continues to be essential for the U.S. build-up in the Indian Ocean and its preparations for intervention in the Middle East. From December 1980 until June 1981, workers at the magazine worked 24 hours around the clock in two shifts to support the Navy's policy of "near term pre-positioning of ships" (or NTPS). Since August 1980, an NTPS fleet of seven ships has been at the entrance to the Persian Gulf "on a full-time-ready basis for a link-up

with deployed RDF units." The fleet carries enough supplies for 15 days of RDF units engaged in heavy action.³

Jerry's employer is a Philippine contractor, Integrated Services, Inc. (ISI). The Navy contracts work out to about 50 companies, which employ approximately 6,000 of the 22,000 Filipino workers at Subic. There are over 200 stevedores at the Naval Magazine, all of whom have received four days of special training in handling ammunition. Their wages average about \$3.00 a day. When they must work overtime, ISI pockets the extra 25 percent that the Navy provides for

"We always know which missiles are nuclear, because the firemen and the Navy's safety officers show up."

overtime hours. Although Medicare is deducted from their wages, ISI does not record it with the Philippine government, so the workers and their families are not covered by any health plan. When the workers need to borrow money, ISI makes loans available at usurious rates. "They fry us in our own oil!" exclaimed one Filipino base worker.

The Navy provides only token workers' compensation, despite the extremely dangerous nature of the stevedores' work. I heard of one man who received only \$50 after an eight-inch projectile exploded in his face, causing severe burns and hearing impairment. Jerry and his fellow stevedores load and unload 500 and 1000-pound bombs and various missiles onto the Carrier Task Forces coming and going between the United States and the Indian Ocean. They are sure that they handle nuclear-capable missiles. "We always know which missiles are nuclear," he told me, "because the firemen and the Navy's safety officers show up."

Efforts by base workers and barrio residents to improve their lives have met with repression. Stevedores trying to form an independent union to replace their employer-sponsored organization have found themselves barred from the base. Some have been beaten by goon squads. Meanwhile, the Lower Kalaklan community organization—established in 1978 and credited with bringing piped water and a health center to the barrio as well as with getting part of the bay dredged for fishermen—has been under attack since August 1980. Backed by Defense Minister Juan-Ponce Enrile, Olon-

gapo City Mayor Richard Gordon, who also has close ties with U.S. Navy officials, launched a city-wide "clean-up" campaign. In addition to targeting petty crime, the campaign led to the arrest of the community organization's vice-president and the temporary detention of over 100 community activists on charges of subversion. The vice-president was held in prison for seven months, during which he was severely tortured.

In a 1980 report, Georgetown University strategic analyst Alvin Cottrell commented that Subic is "generally deemed to be the key to the effective performance of the U.S. naval missions in the Indian Ocean-Pacific Ocean region . . . Nowhere in the world do we have a more important basing facility than in the Philippines."⁵ As long as U.S. defense planners view Subic this way, Monica and the other people of Lower Kalaklan will continue to face suffering and repression. They will continue to resist, however, for they understand the source of their troubles. "If not for the base," says Monica, "we'd have a good life." □



USS Coral Sea at Subic base.

Paul Huchcroft

NOTES:

1. Subic Bay News, July 24, 1981.
2. Staff report of the U.S. Senate Committee on Foreign Relations. *Korea and the Philippines*. 1973.
3. *Far Eastern Economic Review*, December 11, 1981, p. 17.
4. CINCPAC REP PHIL Instruction 00020-1A, Nuclear Material Accidents/Significant Incidents, March 10, 1978, U.S. Department of the Navy.
5. Alvin J. Cottrell, "The military utility of the U.S. facilities in the Philippines," Georgetown University Center for Strategic and International Studies, 1980.

*Not his real name.

BOOKNOTES

Siam in Crisis, by Sulak Sivaraksa, Komol Keemthong Foundation, Bangkok, 1980, 462 pp., paper: \$4.00. Order from Suksit Siam, 1715 Rama IV Rd., Bangkok 5, Thailand.

Siam in Crisis s.sivaraksa



Sulak Sivaraksa combines the roles of intellectual, social activist, and religious disciple in a unique mix which makes him a nuisance to the rich and powerful and an inspiration to the poor and oppressed. He also serves as a major link between Thai intellectuals and the Western world, drawing on his lengthy study of Buddhist doctrine and Thai history and his British education to interpret each to the other. Sulak's independence, commitment to Buddhist principles of non-violence and justice, and his persistent critique of the status quo have earned him the respect of those who share his views and of those to whom they are anathema.

The collected essays in *Siam in Crisis*, written between 1965 and 1978, document Sulak's rich and varied career as committed intellectual. They cover such topics as major Thai literary personalities, Thailand's position in the global context, analyses of Thailand's social and political affairs, American contributions to Thai studies, and certain aspects of Buddhism. Reflecting the changing realities of the different times they were written, these essays should be read by Thais and foreigners attempting to understand the transformations now underway in Thai society. They are also valuable as a portrait of a devout Buddhist engaging himself directly with the upheavals of the twentieth century.

A Buddhist Vision for Renewing Society, by Sulak Sivaraksa, Thai Wattana Panich, Co., Ltd., Bangkok, 1981, 243 pp.

Three of the 11 articles in this volume originally appeared in *Siam Through a Looking Glass: A Critique*, published in honor of Sulak's 40th birthday in 1973. Most of the remaining essays, however, were written during Sulak's nearly two years in exile in the United States and Canada following the bloody military coup in Thailand in 1976. They deal with Buddhism and its principles of non-violence in relation to social change.

William L. Bradley, great-grandson of a nineteenth-century Protestant missionary to Thailand and president of the Edward H. Hazen Foundation, writes, "We see in Sulak's writings a constant attempt to come to terms with modernization and an increasing pre-occupation with religion as a means of dealing with this problem." However, notes Bradley, in a country where the military dominates the affairs of state, "any form of protest, no matter how non-violent its nature, may bring reprisals." Thus, Sulak's bookshop in downtown Bangkok was ransacked after the 1976 coup, and he himself was threatened with arrest.

In the years since his return to Thailand, however, Sulak has become more deeply committed than ever to the search for non-violent ways to effect fundamental social change in Thailand. This book is both a consequence of and a witness to that commitment. It is must reading for Thais—who call themselves Buddhist but know little about their past—and for foreigners who want to understand Thailand, whether they fear change or enthusiastically seek it.

A Siamese for All Seasons; Collected Articles By and About Puey Ungphakorn, by Komol Keemthong Foundation, Bangkok, October 6, 1981, 351 pp., cloth: \$3.00. Order from Suksit Siam, 1715 Rama IV Rd., Bangkok 5, Thailand.

This book brings together for the first time in English and in a convenient format a wide range of papers which "place on the record the life, achievements and guiding conviction of our distinguished citizen, Dr. Puey Ungphakorn, up to 1977."

Dr. Puey's major contributions to Thai political and economic development are well documented in moving

accounts by two of his foreign colleagues which are included in this collection. Dr. Lawrence D. Stifel served with Dr. Puey on Thailand's National Social and Economic Development Board from its inception in the early 1960s. Australian National University Professor Thomas Silcock declares in his essay that having known Dr. Puey "makes me, personally richer." In addition, there is a lengthy piece read in Dr. Puey's honor when he received the Ramon Magsaysay Award in 1965.

However, the political storm of the mid-1970s, well-documented by Dr. Puey himself, ended his political career. His account of the October 6, 1976 coup and his statement to the U.S. Congress on human rights in Thailand in June 1977 have become classic. Dr. Puey barely escaped Thailand with his life and is now completing his sixth year in exile in London. But he continues to look with hope at the prospects for Thailand's future. "For me," he writes in this collection, "truth and peace may be defeated by violence and deception. But [that] the truth shall not die is a Buddhist proverb. We must not lose heart in trying to rectify the truth and maintain peace."

A Siamese for All Seasons comes in time for Dr. Puey's 66th birthday. In a way, it is his gift to those who are currently struggling for a peaceful and just society in Thailand. □

Some of these books will be reviewed in future issues of the Chronicle.

Vietnam: The Revolutionary Path, by Thomas Hodgkin, St. Martin's, 453 pp., cloth: \$30. A summary history from legendary times to the present by a noted British historian.

Aftermath: The Struggle of Cambodia/Vietnam, by John Pilger and Anthony Barnett, NS Report 5 (New Statesman, 10 Great Turnstile, London WC1, Great Britain), 151 pp., paper: no U.S. price quoted. An anthology of articles published in the *New Statesman* between 1978 and 1981. Sections include Vietnam; Kissinger and the Historical Record; Cambodia; The Bureaucracy of Death; The United Nations; From Vietnam to El Salvador.

The Last Ambassador, by Bernard and Marvin Kalb, Little, Brown, 276 pp., cloth: \$13.50. A novel about the final days of the American presence in Vietnam.

UPDATE

phasized that life is still very hard in the NEZs. The settlers must be willing to "sacrifice their immediate private interests and feelings and contribute their efforts to the great, long-term task of developing the country," according to *Nhan Dan's* report on the conference.

The Soviet Union awarded the Order of Lenin to Le Duan and Truong Chinh in announcements timed to coincide with the beginning of the lunar New Year celebrations. Le Duan, general secretary of the Vietnamese Communist Party, has generally been characterized as the most "pro-Soviet" of the country's top leadership. Until the break between Vietnam and China in 1978, Truong Chinh, chairman of the Council of State, was frequently described in the West as "pro-China." The Soviet communiqués on the awards were, for the most part, carefully balanced between the two 75-year-old leaders. But Duan was praised for "consolidating socialism and peace"—a phrase missing from the statement about Chinh. Pham Van Dong, chairman of the Council of Ministers, received an Order of Lenin last year, when he was 75.

Nearly 2,300 Vietnamese left legally for the United States in 1981 under the U.N.-

sponsored orderly departure program. Emigrants to France, Canada, Europe and Australia brought the total to just over 10,000 for the year, more than double the number in 1980. The U.N. High Commission on Refugees hopes the program will continue to operate smoothly, to provide an alternative to the illegal and dangerous departures of "boat people."

THAILAND

The Communist Party of Thailand will hold its fourth congress sometime in 1982, various sources say. Rumors of the impending CPT congress have circulated since 1979, but it was not until early this year that preparations reached a point where definite plans could be made. The fourth congress—the first since 1961—will take up the CPT analysis of Thai society, its strategy for revolution and its international relations.

A *Far Eastern Economic Review* (5 Feb 1982) report by John McBeth says that the CPT "sent out instructions in early 1981 to all party units to put together a broad-based analysis of prevailing social and political conditions." Other sources say that the CPT leadership now has a fairly developed idea of the consensus of opinion

within its ranks, enough to proceed with plans for a Congress.

Debate on the political line of the CPT has been wide-ranging, and has included both party and non-party members. Some issues have been taken up in public forums in Thai academic circles. "It certainly reflects a degree of flexibility [in the CPT] and goes to show they have listened to mounting criticism in party ranks," McBeth quotes one source saying.

Although the basic political framework is not likely to be changed, the same sources say, the CPT is going to modify its strategy to take account of the changing situation. Much more attention is already being given to party work among urban students and workers. CPT support for the Chinese "Three Worlds Theory" and attacks on Vietnamese and Soviet "social imperialism" will be played down in favor of a more independent international posture.

Recent developments have already forced a reevaluation of the Thai military's claim that the CPT is finished as a political force. Army Chief-of-Staff Gen. Pramote Thawonchan recently said that "We have succeeded in stopping the growth of the party. Whether we can eradicate it or not depends on many factors, in particular the economic situation."

New Releases on the Philippines



Pumipiglas Political Detention and Military Atrocities in the Philippines

Published by the Task Force on Detainees, Manila, 1980, \$5

The World Bank Philippine Poverty Report

The controversial confidential first-draft version obtained by the Congress Task Force and Counterspy Magazine. 200 pages, \$15

Development Debacle: The World Bank in the Philippines. An in-depth analysis of World Bank programs based on 5,000 pages of confidential Bank documents.

By Walden Bello, David Kinley, David O'Connor and Vincent Bielski

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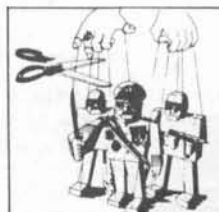
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The Philippines in the 80s

—From Normalization to Polarization

A fast growing resistance led by the leftist National Democratic Front, a severe economic crisis and continuing divisions in the elite have polarized the Philippine political situation. This issue of the *Southeast Asia Chronicle* concludes that while Philippine dictator Ferdinand Marcos is not likely to fall soon, he faces an increasingly difficult political and economic situation. Also included are separate accounts of a visit to a New People's Army guerrilla zone, strategic hamlets in Mindanao, and the impact of U.S. military bases on farmers and workers.



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